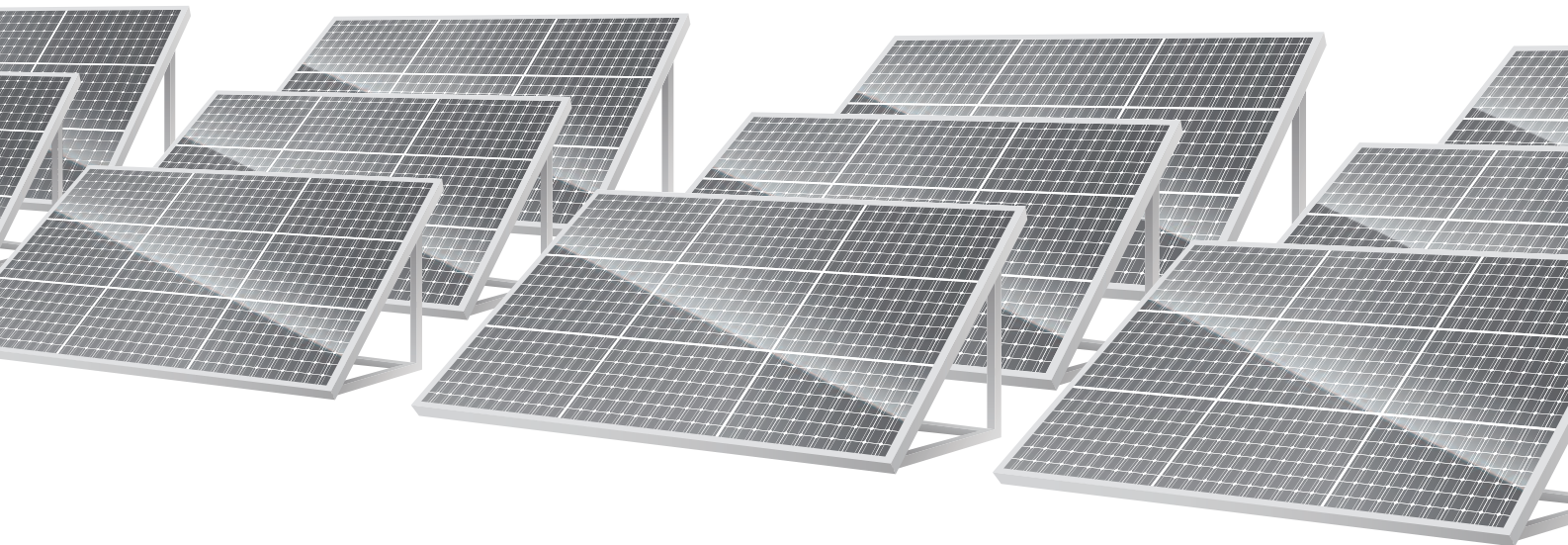




ENERGY AND INFRASTRUCTURE 2017

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Behind The Deal - Hugo Berkemeyer, Martín Carlevaro - Berkemeyer Attorneys and Counselors

Berkemeyer Attorneys and Counselors partners Hugo Berkemeyer and Martín Carlevaro discuss their roles on the Route 2 highway and Route 7 highway PPPs in Paraguay, and the country's project development market

How did you originally come to represent Sacyr-Mota Engil-Ocho?

HB: When the public-private partnership (PPP) law was enacted, there was no experience with PPPs in Paraguay. So we got involved very actively with the team in revising the regulatory decree of the PPP law. We also put forth some suggestions. After that we did some seminars in Paraguay to make the law more available to our colleagues. And then we decided to see who the players were that might be interested in Paraguay. And some we [were] contacted because Martín had experience with his previous job, and some of the companies that knew about this new law contacted us and gathered some information about the country. Before making any decisions, they wanted to do some research in terms of what the situation was in the country. We had three or four potential clients, and after thinking it a good player to come to Paraguay for not only this one project but for other projects, we decided to go ahead with Sacyr.

What was your role in the bidding process?

HB: Our participation in the bidding was in the pre-qualification. Then we advised the client in presenting all the documents for the bid, as well as the support in all the main project contracts. We also participated in the pre-financial agreements (term sheets) and continued advising the client in the post adjudication process including but not limited to the incorporation of the SPV for routes 2 and 7 (Rutas del Este S.A.), then the negotiation and closing of the PPP agreement. Now we are helping them with the start-up of the SPV and we believe next big challenge will be financing of the project which will involve US banks and multilateral agencies. It will be the first financing for a PPP project in Paraguay.

Can you talk more about your work in incorporating this company in the country?

Hugo: This is the first SPV under the PPP law. So we've been working on the start up on the company, working on personals and contracts, working on EPC contracts, which is based on pre-EPC contracts, before the adjudication as well as O and M contract, technical assistance agreement, shareholders agreement, etc.

What is challenging is that everyone is learning about the process. The terms are more extended than the normal timing in the country because there is a lack of know-how in the administration. We've had

“...the next big challenge will be financing the project, which will involve US banks and multilateral agencies”

to explain how this works and how it's been successful in other countries.

How did you gain experience with PPPs?

MC: I have more than 15 years of experience in this field. I used to work in projects in Latin America and in the US. I worked in Peru, Colombia, Chile (mainly), Argentina, so with that experience and that knowledge we decided that we could give advice to the government in 2014 for issuing the regulation of P3 law. The Paraguayan PPP law is inspired by some other laws in Latin America such as Chile, Colombia and Peru. It's very common for the government before publishing a decree to give it to the construction chamber and some specialized law firm, among other relevant players, to review the drafting of a future law and that's what we did in this case.

What was the most challenging legal aspect of this transaction?

HB: We had to change a lot because at first they had payments in the local currency so we had to negotiate to change the legal documents to have the payments from the government in dollars because we knew the financing would come not from the local banks (in local

“There is a pipeline of projects, and not only PPPs”

currency) but from US banks so there were some negotiations going on there.

MC: The process was very long. From 11 pre-qualifications, we had only one offer and it was because the MIGA [Multilateral Investment Guarantee Agency] from the World Bank was originally going to support the process. If the country didn't pay for the infrastructure, then the MIGA country risk insurance would pay instead and then, if that's the case, MIGA would claim against the country. The MIGA, however, decided not to participate because the government did not want to apply or it was difficult to apply foreign law as MIGA required (US or UK law). In order to change the applicable law Paraguay needed to issue a new law from congress and that was impossible to have and that's why in the end MIGA didn't [participate in] Paraguay's P3 projects and so the project received only one bid from a consortium led by Sacyr.



Martin Carlevaro
Partner
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About the author

Martin Carlevaro is experienced in public-private partnerships (PPP), infrastructure and energy sectors and development of investment projects, under project finance schemes. He has supported international players on several projects in the US, Chile, Brazil, Paraguay and Argentina.

How is the project financed? Is this how projects are typically financed in Paraguay, or does the PPP structure affect the financing?

HB: The private sector will contribute \$520 million to this project composed by 20% equity by sponsors (part of it was already injected in the SPV) and 80% debt to be provided by a mix of multilaterals and US banks. This is the country's first experience in PPPs so I cannot say if this is normal or if this is the future, but in other projects, other US bonds were really active in financing in Paraguay. Many banks such as Bank of America, JP Morgan, Goldman Sachs, as well as UBS from Switzerland, are also interested in financing projects in Paraguay.

Will we see law firms grow their energy and infrastructure departments in the wake of these PPPs?

MC: Because the government is betting on developing infrastructure, the law firms will grow their teams in energy and infrastructure.

HB: There is a pipeline of projects, not only PPPs but also German system projects which are as turnkey public works projects with private finance. These is a pipeline of projects that come to \$15-20 billion in projects. In my opinion there will be a lot of law firms that will look to provide professional services; the market will have more players, and we see that as an opportunity to grow.

Will there be global firms in the market?

HB: We have seen a lot of interest from international teams in relation to looking into Paraguay for these types of transactions. I suppose that in every jurisdiction, the more business there is, the more international offices are looking into the country. I don't think this will happen right now, it will take a few years. Afterwards I would say that we will see one or two law firms in Paraguay that are international. We have a lot interest from these law firms, we are talking with more than 10 of them.



Hugo Berkemeyer
Managing partner
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About the author

Hugo Berkemeyer has experience in general corporate work and leading teams in complex international transactions such as M&A due diligence as well as large investment and infrastructure projects. Strongly business oriented, focused on transactions and corporate structures.

Behind The Deal – Stephen Double, Norberto Quintana – Holland & Knight

Holland & Knight partners [Stephen Double](#) and [Norberto Quintana](#) discuss advising on [Stoneway Capital's \\$500 million project bond](#) to fund the development of four simple-cycle power plants in Argentina

How was the firm mandated on this transaction?

SD: We were actually referred to the client by Cabanellas Etchebarne Kelly, a leading Argentine firm that we work with often.

Is it common for a local firm to refer a global firm?

SD: It depends, especially on the sponsor's side. If you have a local sponsor that owns equity in the project, it's often the case that they will look for a recommendation for outside counsel from their lawyers in the country. In this case there were several firms involved internationally and several firms involved in the local market. We were one of the two US firms with a leading role.

Can you tell me more about your firm's role on the deal?

SD: We represented the sponsor/issuer, which involved structuring the terms of the deal (including the onshore and offshore security arrangements) with the other transaction parties and their lawyers, preparing the prospectus, coordinating diligence and working closely with the company, banks and their counsel in terms of the bankability of the underlying project documents. In addition, the financing included two related financing transactions. There was the project bond, on which we advised the issuer and then there was a secured loan transaction with Siemens Financial Services, as lender, to help finance a portion of the sponsor's equity. We also advised the sponsor on a separate equity contribution from SoEnergy International, a Florida-based energy company.

Why were project bonds used for the financing?

NQ: Our client was awarded contracts to develop four thermal power plants. The total investment required to construct the plants was approximately \$636 million dollars. Because of Argentina's complicated history in terms of its dealings with its creditors, currency regulations, and economic stagnation and inflation, for the most part, commercial banks have been reluctant to finance infrastructure projects in Argentina, at least until now. While the Macri administration has only been in power for approximately 16 months, it has been vocal in implementing a series of economic reforms that have been well received by the market and we have seen an increased willingness on the part of international financial institutions to get involved in Argentina. In our experience, having helped a number of Argentine provinces obtain financing over the last year, the most common remedy available for financing in Argentina has been the international capital markets, so that was the structure our client wanted to execute.

“It may be the case that investors are seeing an improving regulatory environment in Argentina that mitigates some of the risks associated with financing infrastructure in the country”

Can you talk more about the challenges presented by this transaction?

NQ: It is often the case in project finance that it's easier to place a bond when a project is completed than when a project has to be built from scratch. For these types of greenfield projects it is often the case that you'll see some form of bank financing. Going straight to a bond financing in a greenfield project is a lot less common given the increased risk to bondholders that a project may not be completed on time or at all and therefore it may not be able to repay its debts. In this case, the bond was placed successfully, so there was sufficient demand for this risk. It may be the case that investors are seeing an improving regulatory environment in Argentina that mitigates some of the risks associated with financing infrastructure in the country.

Additionally, any project financing requires a significant number of structuring decisions along the way, and that in and of itself carries certain complexities. The fact that there were no recent precedents of project bonds in Argentina meant that we had to think through a

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number of issues related to those type of financings in this country. For example, working with our colleagues across the table, we were able to overcome some complicated structuring issues related to the onshore and offshore collateral package that satisfied both the underwriters and the onshore and offshore trustees.

Do you think this will pave the way for more project financing with project bonds in Argentina in the future?

SD: That's certainly our hope. There have been a number of different concessions announced in the past year by the Argentine government for thermal and renewable energy and other projects that will need to be financed. Our hope is that this deal will help move the market towards more opportunities involving project bonds out of Argentina going forward.

Is your firm doing any additional work on the project?

SD: We continue to advise our client on post-closing matters. The construction of the project is well underway and we look forward to celebrating the achievement of commercial operations with our client later this year.



Stephen Double
Partner
Holland & Knight

About the author

Stephen Double is a partner in Holland & Knight's New York office. He has extensive transactional and advisory experience on corporate matters and major international financial transactions, particularly in Brazil, Latin America and other emerging markets.



Norberto Quintana
Partner
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About the author

Norberto Quintana is a partner in Holland & Knight's New York and Miami offices. He represents a wide range of lenders, corporate borrowers, project sponsors and developers and private equity sponsors in cross-border and domestic financing transactions. He has worked on infrastructure, oil and gas and energy cross-border project financings.

Behind The Deal – Raúl Fernández-Briseño – White & Case

White & Case partner Raúl Fernández-Briseño speaks with Rani Mehta about working for Altan on the Red Compartida mobile network PPP

How did you get involved in the project?

We were asked to meet with the management team of the consortium, as they were trying to put together a legal team for the bidding process. They wanted a law firm with experience in M&A transactions, a specialty in telecommunications and with a strong capability in bidding projects for the federal government. We met all the requirements that they were looking for and after a couple of meetings we put together a team for negotiating the M&A, telecommunications, PPP [public-private partnership], tax and development matters.

What was your role on the financing?

We did not negotiate the financing documents but we participated in the coordination with all the shareholders and provided some support to financing shareholders. We coordinated and made available to the counterparties a lot of support and information and documentation for this financing to be signed.

What was the most challenging aspect of this transaction?

First we had to put together a team for the bid and put together all the technical, legal and economic documentation for the bid. This was challenging because we had to include documentation and information for many areas. Time was of the essence and there were a large number of guidelines in place to be qualified to participate.

We had to work with 10 different shareholders (representing different types of shareholders). These included long-term investors, institutional investors and private equity investors. The shareholders come from different jurisdictions and bring different perspectives. For example, IFC was an institutional investor and a global investor. Miguel Escobedo was a Mexican lawyer, and there was Eugenio Galdón, a Spanish entrepreneur.

There were also the telecom companies, Axtel and Megacable, and we had to create a special series of shares with no corporate rights for those two companies to participate. We also had to take charge of the tax strategy for the company.

Additionally, we created the Mexican SPV to put money in the company and had a role in creating, negotiating and executing all these documents. These included engineering and construction contracts, contracts with tower companies and contracts regarding the fiber that will be used for the initial deployment of the project.

There was a special regulator created by the Mexican government to supervise this specific PPP – Promtel, which was the first telecommunications PPP in Mexico. One piece of complexity, from a regulatory perspective, was dealing with this brand new agent. The agency will be supervising and regulating the PPP project.

“There was a special regulator created by the Mexican government to supervise this specific PPP – Promtel, which was the first telecommunications PPP in Mexico”

How will the creation of the special regulatory agency affect future telecommunications transactions in Mexico?

It will help to give certainty to similar projects.

Why were Altan and Rivada Networks the only competitors for this contract?

I assume that the complexity of the project meant only two consortiums with several players managed to reach the last stage of bidding. In fact, only one of the bidders, Altán, was able to produce all the documents required under the bidding guidelines.

Is there more legal work to do for the project?

White & Case is acting as lead counsel for Altán Redes. The main areas where we are providing advice are: corporate, commercial agreements, telecommunications agreements and regulatory.

Did you work with any of the firm's other offices on this transaction?

We liaised with our offices in New York, Miami, Hong Kong, Beijing, Madrid, Stockholm and Helsinki to work on this project. The project

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included 12 areas of law, with six or seven offices around the world.

What broader trends have you noticed in Mexico's energy and infrastructure sectors?

The most relevant trend related to this transaction will be the presence of different kinds of investors in infrastructure projects. We have institutional investors, private equity entities, long-term entities, as well as the Mexican development bank for infrastructure projects. This is a major trend that will be repeated in the near future in Mexico, not only in telecoms, but in other sectors.

What do you attribute this to?

Mexico is an emerging market with a stable economy, stable increase in population, and a stable political environment compared to other Latin American countries, and it's a country that is growing. The legal framework has been amended to give certainty to investors and there has been a lot of reform that allows foreign investors to come to Mexico with hardly any restraints. The legal framework works and is being respected by institutions.



Raúl Fernández-Briseño

Partner

White & Case

About the author

Raúl Fernández-Briseño is an experienced M&A and finance lawyer, with particular knowledge of the real estate, shipping, aviation and telecommunications sectors. In 2016, Raúl was named by *Expansión* magazine as one of the '30 promises for a challenging year'.

Behind The Deal – Ronald Fernández-Dávila – Philippi Prietocarrizosa Ferrero DU & Uría

Philippi Prietocarrizosa Ferrero DU & Uría partner Ronald Fernández-Dávila speaks with Rani Mehta about working on Lima Metro Line 3 in Peru and trends in energy and infrastructure in the country

How did you win this mandate?

The government issued a request for a proposal for a consultant. A consortium was hired to advise the government on this matter, and such consortium requested our help to deal with legal matters.

Have you been involved in the previous two Lima Metro lines?

Yes, we have. We worked with a consortium for Line 1 of the Lima Metro and have been working with them for a couple years regarding day-to-day activities, financing, and other matters. We were involved in the bid for Line 2, but our client did not submit a bid.

Did the previous lines establish a precedent for this type of transaction, or were you working from scratch?

Line 1 was structured differently than Line 2. For Line 1, the government originally planned to have a concession for the construction and operation of the line, but at the time, under the conditions offered by the government, no bids were submitted. The government then decided to build Line 1 as public works, instead of a concession. A concession was later granted for the operation of Line 1 and to provide rolling stock. In Line 2, the bidding was for the design and construction of the Line, as well as the provision of rolling stock. In Line 3, the structure is something similar to Line 2. This project will not start from scratch, as much possible experience from Line 2 will be used. It will be important to have the opinion of all the parties involved and all the stakeholders involved in Line 2, not only the bidders, but also the banks that financed the project and the government in order to use the best experience from Line 2 and avoid repeating what did not work.

What can be improved on this time?

The project should be awarded in 2018, so we're still in the early stages. The consultant is more dedicated now to the technical aspects and the feasibility of the project. Of course there are several things that can be improved, and it's clear that the delivery of the land is one of the main issues because the concessionaire needs to have security that they will get land in the right moment to build the project and develop it as planned. We will also have to work on how the co-financing will be paid by the government taking into account the government's budget capabilities.

What is the most challenging aspect of this transaction?

I think the most challenging aspect whenever you are dealing with a concession of a project and counseling a consortium who is on the

“...it's clear that the delivery of land is one of the main issues because the concessionaire needs to have security that they will get the land in the right moment to build”

side of the government is balancing the requirements of the private sector and the possibilities that the government has to create a successful project. You need to understand what the government can offer and the risks the private sector can take. The biggest challenge is to balance the interests of all stakeholders and reflect them in one concession agreement.

Do you correspond with your other offices for project deals like these?

Yes. We also have offices in Santiago and Bogotá, as well as a strong relationship with our partner Uría Menéndez, and we interact a lot with all the offices. We have conversations, conference calls, and when we have big projects we use experience from the other jurisdictions. The countries have developed different projects in different moments. There are 4G projects in Colombia, and the experience in Chile with airports expansions.

What trends have you noticed in the energy and infrastructure sectors?

Right now, we are in a transition period regarding the projects and infrastructure in Peru. We have had several changes, several legal

“The gap of infrastructure in Peru is very significant, so the government is trying to push for new projects and new concessions...”

changes, in structure and in how these projects are going to be developed. The gap of infrastructure in Peru is very significant, so the government is trying to push for new projects and new concessions, as well as looking for new players investing in Peru. So in the next semester of this year, I think we'll start to see new projects coming out and new faces in infrastructure. Also the process of reconstruction due to the heavy rains and floods that the country has suffered will be an opportunity to develop infrastructure, to rebuild highways, and to develop housing and other projects.



Ronald Fernández-Dávila
Partner
Philippi Prietocarrizosa Ferrero DU
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About the author

Ronald Fernández-Dávila has acted as advisor of local and foreign clients in the majority of international public bids undertaken by the Peruvian Investment Promotion Agency (Proinversión) for the concession of infrastructure projects such as highways, ports, airports, railways, water treatment plants, among others.

What trends have you noticed in the mining sector?

The last years haven't been great for the mining sector. However, it looks like it's recovering, and it seems the next few years will be better for the sector. Peru is based a lot on commodities, so mining is a very important sector. I hope we will see projects in Peru that have been stagnated for the last couple years be active again.

If you could amend a piece of national legislation, what would it be?

I'm not so keen about changing more laws. I think we have a pretty solid framework regarding infrastructure and energy. I would prefer to start implementing the laws we have so we can make the energy and infrastructure changes be real and start going ahead with more infrastructure projects. I wouldn't make more changes -- I would work with the regulations we have.

Behind The Deal – Juan Fernando Gaviria – Philippi Prietocarrizosa Ferrero DU & Uría

Philippi Prietocarrizosa Ferrero DU & Uría partner Juan Fernando Gaviria speaks with Kurt Stumpo about his role advising on the financing for the [Buriticá gold mine](#) project, and Colombia's legal market for project work

How did your firm win this mandate?

Because one of the partners of the firm is a member of the board of the mining company.

Did the financing package have any distinctive features?

What was distinct in this transaction was the fact that the loan was granted to a foreign entity, abroad, and that we had to fly down the loan to a Colombian branch, and that is something [the loan] that in this case was perhaps worth considering and analysing from a Colombian law perspective.

I read a claim that this was one of the largest mining project finance deals in the history of Colombia. Did the high deal value create any challenges?

The big issue around this was for the company to obtain the environmental license. So the environmental license was the huge task. But, in respect of the financing itself, once the environmental license was obtained it was a regular financing, not very complex from the legal standpoint.

So speaking of that, was there any local resistance to the deal? The issue of the environmental license makes me think of the recent mining referendum in Cajamarca.

The Cajamarca protest is something of concern here in Colombia. Huge concern, I would say, but fortunately I guess that this mining project in Antioquia did not have these kinds of considerations and that the community agrees with the project. In the course of obtaining the environmental license the community had the opportunity to raise questions and to have comments, but [the project was] not nearly as problematic as the one in Cajamarca. So at the end the process was somewhat long, but without the community concerns that occurred in Cajamarca.

From a deal making perspective, did you run into any legal challenges?

No, the two main issues were environmental and land. But this project was very clean in terms of these two aspects so we could move forward with this very easily.

Has the recent peace agreement with the FARC had any influence on projects or foreign direct investment?

The peace agreement with FARC paves the way to receive much more investment in Colombia, specifically in the rural sector, as opposed

“This was a very clean transaction because we didn't have any environmental or spatial concerns”

to the cities. So that is very good news, for agriculture, for mining projects which will not have the issues surrounding violence that we have had in the past. I think that this is very good news for Colombia.

In terms of the domestic Colombian legal market, do you tend to see the same firms on most of the deals or is it more spread around based on deal?

The one issue that is happening in Colombia is that there are a lot of international law firms that are coming to our country, and that is something at this point that is particular to Colombia since you do not see the same kind of movements in Peru and Chile, for example. So there is much more competition, actually. Our counterparts, in the Buriticá deal, are Norton Rose, an international law firm that is very specialised in oil, gas and mining. But having said that, I think that, in terms of financings what we have recently seen, two firms have led most of the transactions. Those two firms are Brigard & Urrutia and us, and I think why that happens is because we have big teams, well prepared for infrastructure deals, well prepared for transactional deals, and that is why the two law firms have come to most of the work.

“The peace agreement with FARC paves the way to more investment in Colombia”

Do you generally see the same international firms on deals, or does vary depending on the type of deal?

Well, coming from a banking and finance lawyer, the international law firms do not participate as much in these kinds of transactions. I guess that in the case of Norton Rose they did participate because they have huge expertise in mining work, and therefore they were able to obtain the financing. But I think that the traditional Colombian law firms are doing the financial work or the financial transactions work, as opposed to the international ones. Another comment that is worth doing is that the big international law firms, such as the Magic Circle firm teams in London or the big New York firms, are not here right now, and those are the firms that you work with in connection with the big transactions.



Juan Fernando Gaviria

Partner

Philippi Prietocarrizosa Ferrero DU
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About the author

Juan Fernando Gaviria heads Banking, finance and capital markets and is part of the infrastructure and projects practice. He is an expert in projects and corporate financing. He has represented lenders, sponsors, borrowers and Colombian government entities in multiple financing and has developed projects in the energy, infrastructure, oil and gas sectors.

Behind The Deal – Phillip Fletcher, Alexis Sáinz – Milbank Tweed Hadley & McCloy

Phillip Fletcher and Alexis Sáinz of Milbank Tweed Hadley & McCloy speak with Kurt Stumpo about Neoen's El Salvador Providencia solar power plant project and broader trends in Central American energy markets.

How did your firm win this mandate?

PF: We are the correspondent law firm for a Paris firm called DePar-dieu Brocas Maffei, it's one of the leading firms in Paris. They've been a longstanding correspondent firm with ours, and they are longstanding Neoen [the project developer] counsel. Neoen's a French company.

We were originally called to handle some New York law aspects, but because it was important to be able to combine Spanish-speaking experience, renewables experience, Latin American experience and development finance experience, we were retained to handle the bulk of the deal.

Moving to the financing of the project, were there any distinctive or novel features?

PF: The financing is always interesting when you put development finance institutions together with three different pieces of [the deal] here, with the IDB [Inter-American Development Bank], the Canadian [Climate Change] fund and Proparco. They each have institutional requirements, so navigating that is complicated.

The magic of the thing, really, was the first-in-country type issues, trying to put together bankable packages on a basis of a series of PPAs, which were not really designed entirely with finance in mind. The negotiation of direct agreements with them and making necessary amendments to the PPAs - bearing in mind that with a series of PPAs you have a number of smaller obligations from the off-takers - took some time. That's really no different than what we see trying to do first-in-country power purchase arrangements in really any country in the world.

AS: I think that's absolutely right. There were in total eight off-takers here, seven for the first solar farm and another for the second solar farm, and getting those parties comfortable with what would be required in a multilateral financing took some time, but we eventually did get there.

You touched on this earlier, but what's the biggest difference when you're dealing with entities like the Inter-American Development Bank or the Canadian Climate Change Fund versus a commercial lender?

PF: There's good and bad with everything. The good news is that the basic proposition of doing a deal in an emerging market is something that they [development institutions] can handle, so doing a deal in El Salvador, which is an emerging market with its history, is something that is not easy for commercial lenders to do but is something that is well within the ability of these institutions with their development objectives.

What's complicated - although the differences are perhaps getting narrower - are the policy issues that come to fore with development institutions, the focuses on environmental and social issues and various kinds of covenant controls. Generally speaking, the covenant

“The magic of the thing, really, was the first-in-country type issues, trying to put together bankable packages on a basis of a series of PPAs, which were not really designed entirely with finance in mind”

package for multilaterals is tighter than it is for commercial banks... but they generally are a tighter fit. So for a developer who may be used to dealing with commercial banks to deal with a multilateral takes some getting used to. They're very diligent and very thoughtful and very focused on ensuring that the package is as strong as possible. At the same time, against that backdrop of complexity, they're accepting that basic country risk, so there's huge benefits to dealing with them, but to satisfy them takes a bit more thought.

AS: And I would say here, in particular, IDB and IIC [Inter-American Investment Corporation] were very engaged with the questions of country risk, so they were more comfortable having direct conversations with their local counsel and really getting into the weeds of what the issues might be and getting comfortable with the fact that it hadn't been done before.

Sometimes it takes a bit longer, but IDB and IIC were much more comfortable with some of those unknowns and becoming familiar with those unknowns and working with local counsel to develop a path forward.

PF: And they even engaged directly with the power purchasers, so they're very proactive and willing to get involved in-country.

What made El Salvador appealing in the first place for this kind of project?

AS: They did their first auction and have now done a second one, and they need power.

Given that this was the first solar project in El Salvador history, were there challenges in terms of there being an adequate regulatory framework in place? Was there a lot of guesswork?

AS: They had to engage closely, for instance on interconnection on the PPAs that Phil described. Just even what should those PPAs look like, what are the basic terms that would be financeable? For the regulatory framework, there wasn't a ton that had to be done there, but before Neoen even went to IDB and IIC they did have to work closely in-country, they had to manage a lot of those kinds of issues early on.

Were those the biggest challenges that you faced, or were there others that were more difficult to overcome?

PF: I'm not sure if it was more difficult, but there hadn't been a lot of security packages put in place in El Salvador, so creating security packages that met standards of bankability required a little bit of finesse.

If you could take me through that, what did that finesse require?

AS: The basic issues were how do you assign a contract; what are the requirements, in this particular case for a regulated industry; how do you structure a trust? In the weeds types of questions.

Coming away from this project, did it seem to provide any lessons on future projects in El Salvador or the region more generally?

AS: I expect that the lessons learned were the types of things we were just discussing, basically the nitty gritty legal issues, will make this second process a little easier in El Salvador.

PF: By and large, there's a lot of renewables activity across all of Latin America. You can start at the bottom with Chile, a lot of discussion about Argentina, and it really goes up through Mexico. We are seeing utilities and power purchasers learning how to put out ten-



Phillip Fletcher
Partner
Milbank Tweed Hadley & McCloy

About the author

Phillip Fletcher is a partner in the Washington DC office of Milbank. Phillip represents parties in the acquisition, development and financing of oil and gas, natural resources, power, telecommunications and other infrastructure projects. He has particular expertise in multi-sourced financings, including those through official credit agencies, capital markets and Islamic institutions.

“With the renewed interest in Central America in particular with renewables, a hands-on approach will certainly be required going forward”

der processes that have been very competitively bid, so they're attracting very attractive pricing and proposals.

There is a strong interest in the lending community in supporting those projects. Depending on the jurisdiction, the mix between commercial lenders and development financial institutions may vary, with El Salvador at least for the time being more of a development finance market and Chile being quite open to commercial banks, for example.

Milbank has long been active in this market and in Latin America generally, and we've been active in the renewables space, both solar and wind, for a long time, so the fact that the region's been active in these areas has been terrific for us. We've got lawyers across the firm active in the area.

AS: Also, with the renewed interest in Central America in particular with renewables, a hands-on approach will certainly be required going forward, as it was in this case in El Salvador. Developers like Neoen who are interested in really doing their homework and being on the ground and understanding country risk is critical. In terms of Milbank, that's one of our strengths, being on the ground, being hands-on and really understanding the issues and finding resolutions where it may appear at first there are none.



Alexis Sáinz
Senior associate
Milbank Tweed Hadley & McCloy

About the author

Alexis Sáinz is a senior associate in the Washington DC office of Milbank. Alexis represents project participants in a wide range of structured financings and investment transactions, involving public offerings, high yield debt, investment grade bonds, project financings, M&A, financial restructuring and reorganisations and negotiating project contracts.

Behind The Deal – Juan Manuel Marchán – Pérez Bustamante & Ponce

Pérez Bustamante & Ponce partner Juan Manuel Marchán speaks with Rani Mehta about advising on Ecuador's first road private public partnership (PPP), Río Siete-Huaquillas, and the growing popularity of the PPP model in the country

How did the firm become involved in the Río Siete-Huaquillas road project?

We were involved in this project from the very beginning. We received the request from LatamCo which is the Colombian partner of the project. We started advising them for their corporate establishment in Ecuador and in the drafting and association in the contract with the minister.

Can you tell me more about your firm's role on the project?

Basically we were involved in the transaction from the first the negotiation of the project and then we worked on the contract for the private public partnership (PPP) with the Minister of Transportation, for building roads in Ecuador. So we had an active role in the initial stage of the execution of the contract and the initial implementation.

Your firm also worked on the first PPP in Ecuador (the Port of Posorja). Did your work on the first PPP affect the way that you approached this one?

It was very beneficial for us and for the client to have the previous experience. We were able to fine tune all the documentation for the benefit of the client. Initially we were thinking of an association agreement but after conducting the first PPP project, we were able to give the client most of the legal structure for the project.

What was the most challenging aspect of this transaction?

This was the first road PPP project in the country. Because Ecuador has been facing an economic crisis, we had to negotiate what would be the contribution of the government to the project - that was one of the biggest challenges. We have a lot of projects that demand high amounts of money and another challenge was to draw up a contract that will be bankable for the financing of the project and will make it easy for the clients to receive their financing. The project was designed to be financed by the client or by multilateral financing agencies.

The international arbitration clause and the issue of penalties were aspects that also demanded a lot of attention and a lot of active work.

Do you think this will pave the way for more PPPs in the market?

Yes. After this transaction, we have been involved in other infrastructure projects and other projects where PPPs have been proposed to the government.

“Because Ecuador has been facing an economic crisis, we had to negotiate what would be the contribution of the government to the project - that was one of the biggest challenges”

What made the government decide to introduce a PPP law?

We believe that this was due to the economic crisis. Because of the crisis, the government was not able to invest in important infrastructure projects. This government has made a huge investment in big projects but they have no money to pay contractors. The law was enacted as a response to the crisis. The investors will receive a long term contract with the possibility of recovering their investment and will receive a concession. They'll be in charge of the development and operation of huge infrastructure projects. This was what caused the government to enact the law.

What sectors do you expect to see projects in?

We'll see projects in the infrastructure construction sector such as roads, ports, hospitals, facilities, and energy projects.

“This put us in a position to work on new projects that we’re negotiating for future contracts”

◦
How has this affected law firm strategy? Do you expect to see law firms try expanding energy and infrastructure practices, either through promotions or lateral hires?

Yes, that’s a reality. In our case we have been already conducting and been involved in the biggest Ecuador projects. This put us in a position to work on new projects that we’re negotiating for future contracts. So it’s a good move for the law firms that will be able to boost practices in this area. This will be good for promotion of associations. Several lawyers of my team have been promoted in the law firm because this gave them a lot of exposure and interaction with the clients and international law firms.



Juan Manuel Marchán
Partner
Pérez Bustamante & Ponce

About the author

Juan Manuel Marchán has advised on Ecuador’s major infrastructure projects. He led a team advising DP World on the public-private partnership (PPP) for the construction and operation of the Posorja Port. He also advised Latinco and FOPECA on Ecuador’s first road PPP and is still advising on the Samborondón bridge in Guayaquil and the Quitumbe platform in Quito.

Behind The Deal – Leonel Melo Guerrero – OMG

OMG partner [Leonel Melo Guerrero](#) speaks with Rani Mehta about advising on the [San Pedro 30MW biomass power plant](#) in Dominican Republic and the country's energy and infrastructure market

How did your firm get involved in the project?

OMG has been providing assistance to INICIA, an asset management firm managing assets in various industries in the Dominican Republic and other countries in Latin America for more than 10 years to this date. Due to this longstanding relationship, when approached by other stakeholders of the project, INICIA reached out to OMG for assistance.

What was your role in the project?

Being involved from the conception of the project, we were able to make important contributions to the strategic planning of the project, assisting with the research (from a legal standpoint) and the viability. Once go-ahead of the project was received, we designed the legal structure, assisted with regulatory work and got involved in the legal structure for the financing. Additionally, we worked on the design of the contractual structure required for the project.

Issues with contractors have risen; therefore OMG's conflict management team has also been involved. Currently, an arbitration process is underway, while negotiations are happening, trying to achieve a solution.

What was the most challenging aspect of this transaction?

This is a renewable energy project- biomass. Even though the renewable energy law was enacted in 1997, biomass is latest to the battle. Wind and solar energy projects are by far more developed in the Dominican Republic than biomass. This project was the first significant biomass project in the Dominican Republic, posing challenges for the regulatory agency.

Is the country amenable to developing renewable energy projects?

Yes. The Dominican Republic is the fastest growing economy in the region. Historically it has had energy issues, which is recently no longer the case. Now we have the capacity, but there are certain inefficiencies in the system that have created difficulties, including prices of energy compared to other countries' prices, which affect our competitiveness. So there has been an important discussion as to how the DR can become more competitive in energy, and renewable energy is clearly the solution to that.

The Dominican Republic has important renewable energy projects, and we could expect capacity to double in a few years.

“This project was the first significant biomass project in the Dominican Republic, posing challenges for the regulatory agency”

Are there any laws in the works that affect the energy and infrastructure sectors?

We have a renewable energy law and we have a general electricity law. Currently, the private and public sectors are negotiating an Electrical Pact, pursuant to the National Development and Strategy Law enacted in 2012. The Electrical Pact should result in a reform of the electrical sector in the Dominican Republic (including legislation as well as guidelines regarding infrastructure requirements).

If there was piece one piece of legislation you could change or amend (related to the energy and infrastructure sectors), what would it be?

We are in need of a Public Private Partnership (PPP) law. Energy and infrastructure projects, by definition, almost imply or presuppose an involvement of both government and the private sector. We have a good history of PPPs in the DR. Two main generation projects in the country result from a previous privatization process in the late 90s. But in order to reach the next level, we need a comprehensive law. In addition to the more traditional forms, there are many other forms PPPs can take.

“As for local firms opening offices abroad, I do know this is our plan”

What trends have you noticed in the legal market? Will we see any local firms try to open foreign offices? Or global or regional firms come to the country?

I do envision that firms like ours will continue to grow. As stated, the economy in the Dominican Republic continues to grow. As for foreign firms, my answer would be yes, I do expect global and regional firms to come to the country.

As for local firms opening offices abroad, I do know this is our plan. Our clients are becoming more international. They are going abroad themselves, they do more transactions in the region outside the DR, and we want to accompany them.



Leonel Melo Guerrero
Founder / general director
OMG

About the author

Leonel Melo Guerrero sits on various board of directors and committees. He is president of Instituto OMG, an institution dedicated to promoting the formulation of strategy and sound public policy for the Dominican Republic through research and teaching.

Behind The Deal – Carlos Silva, Myriam Barahona – Morales & Besa

Morales & Besa partners [Carlos Silva](#) and [Myriam Barahona](#) discuss their roles advising the sponsors on the [Arturo Merino Benitez Airport expansion](#) in Chile and trends in energy and infrastructure in the country with Rani Mehta

How did your firm come to represent the Nuevo Pudahuel consortium on the project?

CS: We were contacted by Vinci. They know our firm because of our experience in the PPP sector, and we were recommended by Goldman Sachs in the beginning.

Could you summarise your role on the project?

CS: This project is a PPP. It's a concession of the Santiago airport, a public airport, which is a concession previously granted to another entity many years ago, and that concession expired in 2015.

A year before that, the government started the process for granting a new concession to continue operation of the airport and also for constructing a new terminal in the airport. There was a bidding process for the new concession agreement which was very competitive, and the major international and local actors participated in the process. We had to analyse the concession contract and the document, and comprehend and analyse the legal risks of the project in order to prepare the bid. We advised the consortium in that process, which took about a year until the offer was filed and presented. That was the first phase.

In the second phase, we helped the consortium and the company to finalise the bidding process in terms of incorporating the concessionaire entity. We also advised the consortium in terms of finalizing the major project contracts such as the EPC and other agreements related to the operation of the airport. We worked on the financing of the project which was closed in July 2016. Now we'll continue advising the consortium and the company on all issues, primarily with the financing agreements and the concession agreements.

What motivated the expansion of the airport?

CS: We need to increase the capacity of the airport. The previous terminal was contracted in 1998, and Chile has grown a lot since then, and we definitely need a new terminal.

Why did the client use a dual currency financing?

CS: That was one of the characteristics of the transaction that is not very common. Normally financings are either in foreign or local currency. Generally, PPP projects in Chile, such as hospitals, draw all their income in pesos, so the financing is also in pesos. In this case, the airport has two main sources of income. One is boarding fees that all passengers must pay for using the facilities and these are in US dollars for international flights. The other main income is in pesos.

Were global firms involved in the project?

CS: There were many firms involved. Since the main financing agreement was governed by New York law, the law firms that were in charge

“Some members of the consortium hadn't been in Chile, so we had to work to explain the regulatory framework, the risks and how the authorities work”

of loan agreements were New York law firms. Since there were two French sponsors and one Italian sponsor, we needed to coordinate legal issues with Italian counsel and French counsel. There were also some agreements under UK law, so some UK law firms were involved.

How does advising a foreign consortium or developer compare to advising a local one?

MB: The main difference is that you have to educate them a lot with respect to the peculiarities of Chilean law and also with respect to the documents.

CS: From a legal perspective, it's much more challenging advising foreign entities. You have to explain the whole system to a foreign client. Some members of the consortium hadn't been in Chile, so we had to work to explain the regulatory framework, the risks and how the authorities work. And these clients are very sophisticated and ask a lot of questions because they want to understand everything and be fully aware of all the risks. At the end of the day you have to cover many aspects of the law not only financing and contractual, but environmental, regulatory, foreign investment, and tax.

What trends have you noticed generally in the energy and infrastructure sectors?

CS: To start with the infrastructure sector, Chile has had a lot of developments in infrastructure in the 90s and during the first five years of the 2000s. We didn't have the infrastructure at the time, so we had a lot of projects then. These were the first generation of PPP projects.

One issue that we're facing is that we need more infrastructure.

“We’re also seeing concession agreements that are expiring, and therefore we’re seeing newer bidding processes for new concession agreements”

The infrastructure created 15 or 20 years ago has to be renovated or expanded. We’re also seeing concession agreements that are expiring, and therefore we’re seeing newer bidding processes for new concession agreements [like] the Santiago Airport (mainly toll roads and tunnels). Next years we’ll probably see new ports and expand that sector of the country.

Additionally, the mining industry needs more water. It’s located in the north of Chile where there’s a desert, so they are facing a water issue. The mining industry is involved in a process which involves the construction of plants in the coast to bring water from the sea up to mountains where the mines are located. Right now there is a process in the bidding phase, a BOT agreement which would involve the construction and operation of a plant and a pipeline to provide water to Codelco’s mining operations, the state-owned copper mining company.

MB: We just had a bidding process for regulated clients in the energy sector that also had really low prices. We will have to see how these projects will be financed. The prices of the energy are dropping, which is good for customers but raises some issues for the bankability of the projects.



Carlos Silva
Partner
Morales & Besa

About the author

Carlos Silva concentrates his practice on banking & finance, M&A, corporate and infrastructure areas. His experience covers a broad range of financial transactions, including syndicated loan facilities, debt restructurings, bond placements and project financing, with emphasis on the infrastructure sector. He has advised several infrastructure and energy project developers in structuring and financing their projects.

CS: In the energy field we have seen PPA with distribution companies that have been awarded at a very low price and the bidders who won these bids probably will face problems to finance these projects. They will need to add some foreign companies with the financial strength or strength other than pure construction or energy abilities to finance the projects.

In terms of PPP projects, I think we have a very mature industry in which there are a lot of projects in the operational phase. We are seeing some M&A activity in the industry. Some actors mostly in construction are selling their stake in these kind of projects. We are participating in some M&A transactions. We continue to see this type of activity happening in the energy sector too but for different reasons. There are some developers in the energy sector who have been facing serious financial distress. They have started reorganisation processes worldwide which have involved the sale of some projects in Chile.

What changes do you expect to see in the legal market? Will there be more Spanish firms?

CS: There are two major Spanish law firms, Garrigues and Uría Menéndez. They have different approaches but both are here and we’ll probably have others soon. For Spanish firms, it makes sense to come here. Their clients have a lot of activity in Latin America. And the legal work has been reduced in Spain because of the economy. Most of these companies have entered a global reorganization process and probably now they have more businesses outside than inside Spain. Additionally, within Spain there are many firms from the UK and also from the US that are competitive. For those reasons, it makes sense for some Spanish firms to step into Latin America.

For some local firms, it might be a good opportunity to be part of a network driven by a Spanish firm but for these other firms who have a broad client base around the world and relationships with firms in New York, Europe and other countries, I don’t know how much sense it makes. If you choose an alliance or a combination with a Spanish firm, you risk losing your other connections.

We’ll have to see what will happen in Chile. If you look at the Mexican legal market, foreign firms have been there for 10 years or more and now you see that they compete with very good local firms. They are both competing and both very successful. I believe there are opportunities for both models in Chile.



Myriam Barahona
Partner
Morales & Besa

About the author

Myriam Barahona has focused her practice on commercial, financial and corporate advice matters, either at national or foreign levels. She has broad experience in infrastructure and energy project finance, banking finance, investment funds and in the placement of shares and bonds.

Behind The Deal – Pablo Sorj, Thiago Moreira – Mattos Filho

Mattos Filho partners [Pablo Sorj](#) and [Thiago Moreira](#) discuss their roles on the [North Operation](#) project and the project development market in Brazil with Kurt Stumpo

Can you run me through the background of the project?

PS: Hidrovias' North Operation meets an important demand for transportation and outflow of grains from the Central-Western region through the Northern Arc of Brazil using the country's waterway potential. With investments of about BRL1.5 billion, the waterway operation in the state of Pará should reach the total operational capacity of 6.5 million in 2020.

The project involved the construction of a Cargo Transshipment Station (ETC), located in Miritituba, and the Private Use Terminal (TUP), located in Barcarena, relying on five main pusher tugs, seven sets of 20 barges, one auxiliary pusher tug for Boiçu Strait, besides four pusher tugs for harbor manoeuvres.

We faced a number of challenges in this project: first, the project is comprised of three SPVs - one responsible for the shipping activities, another one to manage the port activities and the third one responsible for the silos and interior navigation. This feature, coupled with the different loans to each SPV added a lot of complexity to the deal. Second, the project's bankability relies heavily on tailor-made take-or-pay agreements. Third, the bank syndicate for this deal was quite unique: Banco do Amazonia, BNDES, Banco do Brasil and Itau BBA. Finally, as all other private equity firms, Patria needed the project to be as non-recourse as possible, so we developed a number of structures to accommodate that requirement.

What does the level of FDI in Brazilian infrastructure projects currently look like? Do either of you expect that to change at all?

TM: This year we had airport concessions with foreign players. We were acting for Vinci Airports for instance, a French operator. Perhaps for transmission lines we are going to have an auction by the end of April and maybe another one in October. We are expecting foreign players to participate. For instance Brookfield which is a foreign player that has been in Brazil for many years, didn't participate in this last auction, but we have heard that they're going to enter again. The government should announce by the end of this year four more airports for concession. Probably a foreign player will participate as well in such auctions. In the oil and gas sector we are going to have new bids that certainly will involve FDI.

PS: I think that the interest, as Thiago mentioned, in the airport bid last month was substantial with three new European faces and we think we'll see more investors coming, especially from Europe and Asia. We think that the Chinese will continue to invest in infrastructure, as they have been doing.

“Patria needed the project to be as non-recourse as possible, so we developed a number of structures to accommodate that requirement”

What is it that makes Brazil so appealing for investors?

PS: Assets are still relatively cheap with everything that has been happening in Brazil. I also think that big institutional investors are really looking in the long-term and they know that Brazil has been through cycles.

TM: It also depends on the sector; on the airport side, those big players, like Vinci and Fraport, don't have many opportunities around the world right now, so Brazil this year or maybe the next two to three years is the only country privatizing big airports. Likewise, there are not many opportunities around the world now in the oil and gas sector. Brazil right now is a mix between cheap assets and good opportunities.

Have any of the recent political events like Lava Jato had any direct effects on energy and infrastructure deal-making?

TM: Of course. Everyone has been more careful. Compliance clauses and aspects of deals have been carefully negotiated. But, as Pablo and I said, some of these players have been in Brazil for a long time and they know that the country goes through cycles. People are more cau-

“Brazil right now is a mix between cheap assets and good opportunities”

tious, not only because of the events of Lava Jato, but also because everyone is waiting for the government announced reforms and next year we have elections. I think that the deals have to move on and opportunities exist.

Are these reforms seen as conducive to deal-making in energy and infrastructure?

TM: I think everyone is waiting for that to get going so the country can grow. For instance, in the energy generation market, the problem is that last year it didn't show much growth. This year the government is probably not announcing any auction of that specific sector because the prices are not good at the moment, but the country has to grow



Pablo Sorj
Partner
Mattos Filho

About the author

Pablo advises clients on both domestic and cross-border project finance, acquisition finance and M&A deals. His clients often include corporations, sponsors, investment funds and financial institutions across a number of sectors, among them energy, oil and gas, sanitation and mining. Before Mattos Filho, Pablo was a lawyer for US firm Gibson Dunn & Crutcher.

again. The demand is growing, and it depends upon that at the end of the day.

In terms of Brazilian law firms, is energy and infrastructure a crowded field or do you come across the same firms a lot?

PS: I think there are many firms that do a piece of the work. So, if you look exclusively at project finance, you'll see some firms. If you look exclusively at project development, you will see some other firms. If you look at public law, PPP, there is another subset [of firms], and if you go even deeper analysing industries, for example oil and gas, you'll see totally different firms in that space. It is very hard to find a firm like us that can honestly claim to have full coverage of the infrastructure and energy sector, covering the life cycle of the project across different industries.

Do you expect a greater presence from international firms going forward or for things to remain as they've been?

PS: I don't think we'll see a greater presence. I think what we will see is shift on the focus and maybe a growth in the existing firms here. I think that capital markets are coming back, and most of those firms are capital markets-centric, but I do believe that some of the firms see an opportunity in compliance and projects, two areas that will continue to be active.



Thiago Moreira
Partner
Mattos Filho

About the author

Thiago focuses on project development, construction and infrastructure contracts. He advises owners and contractors with regards to EPC/EPCM/Aliança contracts, offshore construction contracts, O&M contracts and other service contracts. He also works with sponsors and creditors in relation to corporate development and both national and transnational projects.



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Quick facts

5 partners 11 associates

Number of lawyers dedicated to Energy and Infrastructure work:

15 lawyers in Costa Rica

Regional/global networks and memberships: Meritas, Interlaw, SCG.

Energy and Infrastructure practice overview

BLP has been involved in all of the largest infrastructure projects in Costa Rica. BLP experience covers the representation of sponsors, lenders, commercial banks, multilateral and development banks, contractors, investors and operators in energy projects (hydro, wind, geothermal and solar facilities and pipelines) transportation projects (airport, toll road and ports concessions) that used several project finance techniques.

BLP experience in renewable energy projects is unmatched in the region having advised the lenders in the biggest hydro facility in Central America and in the latest BOT and four wind farms awarded by the Costa Rican Electricity Institute. In addition BLP has advised the developer of the latest Costa Rican Electricity Institute BOO wind project in all stages of such project.

With respect to energy, our experience covers the full range of development and energy law issues, development site due diligence and acquisition, power purchase agreement negotiations, transmission line and right of way negotiations, environmental, community relations, taxation, financing, construction of and general regulatory aspects.

Our firm's experience in representing lenders in Project Finance deals is unsurpassed in the local market having worked for all major development finance agencies, multilateral banks and export credit agencies including FMO, DEG, BEI, IDB, IFC, CAF, US Exim Bank, MIGA and OPIC among others.

Sector expertise

Energy (renewable/traditional, generation and distribution), Social infrastructure (hospitals, schools, public buildings and developments), Transport (road, rail, sea and air ports), Telecommunications networks, Utilities (sewage, waste and water), Agriculture, Automotive, Aviation, Construction and materials, Food and beverage, Forestry, Government and public policy, Healthcare, Industrials, Natural resources, Real estate, Shipping, Tourism

Recent matters advised on

- Advised the *Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. ("FMO")*, Société de Promotion et de
- Participation pour la Coopération Economique ("PROPARCO") and Oesterreichische Entwicklungsbank AG ("OeEB") regarding syndicated financing of a US \$200 million term loan facility for the construction and operation of four BOO structured wind parks of 20 MW each for Alisios Holdings S.A.;
- Currently advising *Celsia* as local counsel in the operation of the Proyecto Eólico Guanacaste a 50 MW wind power plant;
- Served as local counsel to *IADB* and *IFC* regarding the structuring of a senior lending facility for the financing of the Reventazón Hydro Project, the largest Hydropower project developed to date in the country. Reventazón is a 305 MW hydro facility of an estimated cost of US \$1.422 million;
- Advised *US-EXIM Bank*, FMO and BICSA regarding a US \$105 million senior loan agreement to Inversiones Eólicas Orosí Dos S.A. for the construction and development of a 50 MW Orosí BOT Wind Power Project;
- Served as local counsel in the structuring, development and financing of the Proyecto Geotérmico Miravalles III, a 27.5 MW geothermal power plant, the first BOT power project in Costa Rica;
- Served as local counsel to *GDF Suez* in the structuring, development and financing of the Proyecto Eólico Guanacaste a 50 MW wind power plant, the first wind BOT project in Costa Rica and the largest wind plant currently in operation in the country.

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Quick facts

Team structure: Practice is led by partners Luis Rafael Pellerano and Mariangela Pellerano who have participated in many of the most important transactions in the energy and infrastructure industry of the Dominican Republic.

Partner Gustavo Mena, a recognized expert in the Dominican Republic in the field of Renewable Energy, Environment and Natural Resources is a member of the energy and infrastructure practices. He was the first legal consultant and legal director of the Ministry of Environment and Natural Resources.

Vitelio Mejia Ortiz, partner of the firm, is a renowned expert in aviation and transport law in the Dominican Republic. Vitelio has been a member of the Board of Directors of several important companies in the aviation, real estate and tourism sectors. Vitelio served as permanent representative of the Dominican Republic before the International Civil Aviation Organization (ICAO) and led the process in which the Dominican Republic accepted the Presidency of the Latin American Civil Aviation Commission (LACAC) for the first time. Additionally, he has participated in the drafting and formulation of laws for the tourism and aviation sectors.

Energy and infrastructure practice overview

Our energy and natural resources practice is best known for providing comprehensive advice to all participants in the energy industry, including generators, distributors, and suppliers. Likewise, the firm provides clients with ground-breaking knowledge in connection with subjects including renewable energy, photovoltaic energy, and biodiesel fuel, as well as advice to permit clients to obtain the incentives that are available for developing projects in the Dominican Republic.

With respect to energy contracts, the firm has vast experience in the drafting and negotiation of turnkey contracts for the implementation of hydroelectric projects, coal plants, and wind farms as well as the drafting and negotiation of power purchase agreements.

The firm provides legal assistance to energy companies with respect to installation, expansion, and transformation, and offers counsel in obtaining permits, project financing, and environmental matters.

The firm also provides advice to nickel, gold, ferronickel, silver, and doré mining projects on the implementation of effective legal strategies to ensure a seamless performance of their operations, and assists them in connection with any disputes that may arise.

The firm's environmental services include assistance in connection with matters relating to harmful substances, the protection of natural reserves and endangered species, among others, consistent with the protection of the environment and sustainable development.

Pellerano & Herrera also assists financial institutions in project financing in the energy and infrastructure sector.

The firm counsels major players in the tourism infrastructure, including airlines, airport operators, booking services and cruise lines. The firm has the largest aviation litigation portfolio in the country,

representing 6 Dominican airports in over 60 cases.

Pellerano & Herrera's lawyers have participated in several important concession projects and tenders, either as counsel to licensor government agencies or advising private concessionaires. The firm also advised clients in structured financing of infrastructure projects and in the transferring of concession rights.

Sector expertise

Energy (renewable/traditional, generation and distribution)
Mining, Oil and gas (upstream/downstream), Social infrastructure (hospitals, schools, public buildings and developments), Transport (road, rail, sea and air ports), Telecommunications networks, Automotive, Aviation, Construction and materials, Food and beverage, Government and public policy, Healthcare, Industrials, Natural resources, Real estate, Shipping, Tourism

Recent matters advised on

The firm has participated in important deals and projects in the **energy and natural resources** sectors:

- Assisted **leading mining corporations** in the establishment of their operations in the Dominican Republic, such as Barrick Gold Corporation, Xstrata and Perilya Ltd., including the financing of the Pueblo Viejo gold mine in Cotuí, which, at US\$2.7 billion, was the largest registered foreign investment in the history of the Dominican Republic;
- Assisted **Aggreko**, the world's largest temporary energy company, in connection with the lease and operation of a 100 MW natural gas power plant;
- Counselling **Banco Popular Dominicano** and **Citibank** in a financing project of US\$145 million syndicated loan to GB Group for the acquisition of the Chevron assets in the Dominican Republic;
- Counselling local electric power company, **Compañía de Electricidad de San Pedro de Macorís** (CESPM, formerly Cogentrix Energy) in the negotiation of EPC and site related permits, as well as PPA with the Dominican State and the refinancing of their loan agreement for US\$150 million from the Interamerican Development Bank;
- Counselling lender, **Banco León**, in the US\$100 million financing of energy generator EGE Haina's expansion of a gas and aeolic (wind mill) power line.

The firm has participated in important **infrastructure** deals in the industry, such as:

- Assisted **Carnival Cruise Lines** in the development and construction of a new US\$65 million sea port in Puerto Plata. This is the first port that was constructed in the northern part of the country which will promote the development of tourism in the area;
- Assisted **Aeropuertos Dominicanos Siglo XXI (Aerodom)**, a leading airport operator in the country that manages six airports in the Dominican Republic, in 100% share sale in the BVI holding company that manages Aerodom, to VINCI Airports, S.A.S. for over US\$800 Million,



Fabiano Gallo
Partner

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Biography

Fabiano Gallo is a senior partner in Campos Mello Advogados Corporate and Energy practices, based in São Paulo.

Gallo practices in different areas of law, with special emphasis in corporate, mergers and acquisitions, listed companies and corporate governance, foreign investment, energy and infrastructure.

Recent matters advised on

- Assistance to *Statkraft* in the acquisition of the Brazilian power company Desenvix;
- Assistance to *Lanxess* in the Brazilian aspects of the worldwide JV with Saudi Aramco (formation of Arlanxeo);
- Assistance to *Lenovo* in the sale of CCE.

Sector specialisations

- Energy
- Government and public policy
- Industrials
- Investment management
- Social infrastructure

Practice areas

- Investment funds
- M&A
- Private equity
- Project development
- Project finance

Bar admissions

- Brazilian Bar Association São Paulo
- Rio de Janeiro and Pernambuco Chapters

Association memberships

- Institute of Applied Corporate Law (IDSA)
- Brazilian Association of Listed Companies (ABRASCA)

Academic qualifications

- Post-Graduation in Corporate Law, Pontifícia Universidade Católica de São Paulo (PUC-SP), 2000
- B.A. in Law, Universidade de São Paulo (USP), 1998



David Leinig Meiler
Partner

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Biography

David L. Meiler is a partner in the Oil and Gas Area, based in Campos Mello Advogados Rio de Janeiro office.

David has provided assistance to clients in a number of transactional areas such as with the import of drilling vessels, storage and distribution of parts and related services. He has assisted clients to obtain permits, licenses and authorisations from the necessary regulatory bodies and agencies, assisting with contracts specific to the industry. David has actively provided auditing, consulting and litigation support for environmental, tax/customs, labor (Law n. 5.811/72) and other civil legal issues within the Oil and Gas industry. Before joining Campos Mello in 2013, David was a partner at Felsberg e Associados, and worked with the Florida, U.S. based law firm Steel Hector & Davis LLP.

Recent matters advised on

Advised a national drilling contractor with the drafting and negotiations of (i) a Joint Venture Agreement and (ii) a Shareholder's Agreement, both related to the incorporation and joint operation of a new company for the maintenance and operation of Drillsips chartered to Petrobras and to be operated in Brazil. The transaction was in connection with the restructuring plan proposed by Sete Brazil (and to be approved by Petrobras) after the previous denial from financiers (such as private banks and BNDES) to fund the corporate structure for operations of such Drillsips - due to compliance and liability-related matters. Sete Brasil has filed for Chapter 11 protection and the deals have been halted.

Legal advice to several international drilling contractors, due to tenders proposed by Oil Companies, such as Petrobras, Premier Oil, Repsol, Statoil, Karoon etc, for the chartering of drilling vessels and associated services for drilling wells in Brazilian waters.

Sector specialisations

Energy, Government and public policy, Natural resources, Oil and gas

Practice areas

Asset finance, M&A, Project development, Project finance

Bar admissions

- Brazilian Bar Association - Paraná, Rio de Janeiro and São Paulo

Association memberships

- American Chambers of Commerce
- Brazilian Institute of Oil & Gas (IBP)

Academic qualifications

- Licensed professor at IBMEC-RJ in International Business Transactions (IBT)
- LL.M. Cum Laude and Semester Honors University of Pittsburgh, 2001
- Tuition Fellowship Recipient from the Center of Latin America Studies – University of Pittsburgh, 2001; B.A. in Law, Universidade Federal do Paraná, 1995

Central America and the Caribbean

In July 2016, Belize announced that it was partnering with the World Bank to finance its Energy Resilience and Climate Adaptation Project (ERCAP). The initiative aims to reconfigure the country's energy system in response to the challenges that climate change poses. In March 2016, slightly prior to the World Bank announcement, Natcore Technology and Catalyst565 revealed that they were beginning development of a 10MW solar plant in the town of Palencia.

In Costa Rica the government has passed its first public-private partnership (PPP) law to encourage future public and private co-operation on infrastructure projects.

Notable project activity in the country, included owner and project sponsor Globeleq Mesoamerica Energy obtaining debt financing for its Alisios wind farms. The farms consist of four 20MW plants, two in the Liberia region and two in the Tilaran region.

The Dominican Republic (DR) has one of the fastest growing economies in Latin America, so investors and corporations are keeping an eye on the country. Historic problems with blackouts, a demand for energy and the desire to become energy competitive have driven the construction of several projects.

One of the most significant of these is the Punta Catalina 770MW coal power plant project, though the process has been far from smooth. A coal project of this size is bound to raise some controversy because of environmental concerns, this was exacerbated through the project's ties to the Odebrecht scandal and claims that Odebrecht paid bribes to secure a role in the project.

In renewable energy news, the country recently installed the Monte Plata solar power plant, which is said to be the largest in the Caribbean. The plant will have a capacity of 69MW. The country also inaugurated the San Pedro biomass power plant, which is also the country's largest plant of this type. By 2018, the DR hopes to add 361MW of renewable energy to its grid.

In the transport sector the country has expanded Line 2 of the Santo Domingo Metro, while Vinci Airports acquired the outstanding capital stock of Aerodom, which operates six of the country's airports.

In late March 2017, El Salvador became the first country in the world to ban metal mining completely. The El Salvadoran Congress's historic vote was a response to a popular, nationwide movement, as well as the Central American country's recent legal victory against Canadian-Australian mining company OceanaGold.

Elsewhere French developer Neoen secured financing for the country's first commercial solar project, the 60MW Providencia. Funding came from development banks the Canadian Climate Change Fund, the Inter-American Development Bank and Proparco.

In Guatemala, in the energy sector the news has been dominated by the Constitutional Court's February 2017 decision to suspend construction on the Oxec 1 and 2 hydroelectric projects in Alta Verapaz following protests from the indigenous population. After several months of uncertainty, the court ruled in May 2017 that the two projects can resume operations.

Elsewhere developer US Geothermal began seeking German Development Fund (GDF) financing for drilling three new production wells at its El Ceibillo plant.

Honduras was recently declared the first non-island country in the world to produce 10% or more of its energy from solar power and the country is investing significantly in renewables. One such project is the 35MW Plantanaras geothermal power plant being developed by Ormat Technologies, which is expected to start operating later in 2017.

Mexico's energy and infrastructure market, in recent years, has been defined by rigorous regulatory reform, which has peaked interest among investors. In 2013, the country opened its hydrocarbons sector to private investors and interest has been high.

In 2016 the country awarded exploration contracts related to eight oil blocks in the Gulf of Mexico. Pemex, Mexico's state-owned oil company, joined Chevron, and Japanese oil company Inpex to bid for block 3 north of the Perdido area, and won. This was the first time that Pemex partnered with private companies to compete for a bid. Additionally, BHP Billiton won a contract to jointly develop the Trion oil block with Pemex. This marked Pemex's first farm-out, and the oil company has several others planned. Pemex will also seek partners to develop the Ayin-Batsil oil fields, the Cárdenas-Mora fields and the Ogorrio fields.

The strength of the oil and gas sector is also seen in the pipelines being built around the country. Carso Gasoducto Norte, a subsidiary of Grupo Carso, is developing the Samalayuca – Sásabe Pipeline, a 630km natural gas pipeline which stretches from Samalayuca, Chihuahua to Sásabe, Sonora. The pipeline will transport about 472 million cubic feet a day and supply gas to Comisión Federal de Electricidad, the state-owned electricity company. Another promi-

nent pipeline is the Nueva Era Pipeline, a joint venture between Howard Midstream Energy Partners (HEP) and Grupo CLISA. The pipeline is 321.8km long and will run from Webb County in Texas to the state of Nuevo León, where Monterrey is located.

Mexico is aiming to further incentivise energy investment with the implementation of the Fibra E, a vehicle designed for investments in energy and infrastructure. The Fibra E is modelled on the Fibra, a Mexican real estate investment vehicle, modelled on the Reit. In October 2016, Pinfar offered the country's first Fibra E.

While hydrocarbons remain an active sector, the country is also looking to develop renewable energy. The country passed the Energy Transition Act at the end of 2015 which aims to help the country meet its renewable targets. In March 2017, Enel began to develop a 754MW solar plant, the largest solar plant in the Americas. Enel is also developing a 200MW wind farm in Coahuila.

Mexico has also seen developments in the telecommunications sector. The country awarded the tender of the Red Compartida wholesale wireless network, which is expected to provide coverage to 92.2% of Mexico's population. Altán won a tender to develop the project, in what is thought to be the first telecommunications PPP in Mexico.

Perhaps the most significant infrastructure project in Mexico is the development of Mexico City's new international airport. The airport will replace Benito Juárez, Mexico City's current airport, which has faced issues with congestion for several years. The \$13 billion airport aims to obtain a LEED Platinum certification and should be operational by 2020. In January 2017, a consortium led by Carlos Slim won a bid to develop an airport terminal. The airport has also seen some interesting financing structures. In September 2016, The Mexican Ministry of Communications and Transportation and Aeropuertos y Servicios Auxiliares announced an issue of \$2 billion green bonds to finance the project.

In Nicaragua, developer Cogeneracion Green Power received financing for its innovative bagasse sugar cane power plant.

Panama saw energy and infrastructure activity outside of the renewables space. Most notably, the PSA International Terminal obtained financing for phase two in the expansion of the Panama Canal's Port of Rodman entrance. The Port of Rodman was part of the highly publicised Canal-wide expansion that was completed in the summer of 2016.



DEAL DATA

The deals that matter. The lawyers that led them.

Below is a selection of energy and infrastructure deals taken from IFLR1000 Deal Data.

For more information and to browse the full database for the Latin America region please visit: <http://www.iflr1000.com/Search/Deals>

Alisios 80MW wind farms

Jurisdiction:

Costa Rica

Deal type:

Project development; Project finance

Industry sectors:

Energy

Firms:

Baker Botts

Party: Globeleq Mesoamerica Energy (Borrower)

Consortium Legal

Party: Globeleq Mesoamerica Energy (Borrower)

Shearman & Sterling

Parties: FMO (Lender); Proparco (Lender); OeEB (Lender)

BLP

Parties: FMO (Lender); Proparco (Lender); OeEB (Lender)

Overview:

- Owner and project sponsor Globeleq Mesoamerica Energy has obtained \$149 million in debt financing for the Alisios wind farms.
- The project consists of four 20MW plants.
- The plants are Vientos de La Perla and Vientos Miramar in the Liberia region, and Altamira and Campos Azules in the Tilaran region.
- The lenders were the Netherlands Development Finance Company (FMO), Proparco and Oesterreichische Entwicklungsbank (OeEB).

Interoceanic Dry Canal

Jurisdiction:

Costa Rica

Deal type:

Project development

Industry sectors:

Transport

Firms:

AG Legal

Party: Cansec (Project developer)

Overview:

- Cansec (Canal Seco de Costa Rica) has submitted a proposal to construct a shipping canal which would connect the Atlantic and Pacific coasts of Costa Rica.
- The canal would link a port in Parismina, a port in San Carlos and a port in Santa Elena.
- If successful, the canal would allow shippers to unload, transport and reload goods in less than 30 hours.
- The total project is valued at \$16 billion.
- The larger project also includes the construction of a 10-lane highway, 30 hydro plants, and three international airports.

Providencia 60MW solar project

Jurisdiction:

El Salvador

Deal type:

Project development; Project finance

Industry sectors:

Energy

Firms:**Clifford Chance**

Parties: Inter-American Development Bank (Lender); Canadian Climate Change Fund (Lender); Proparco (Lender)

De Pardieu Brocas & Maffei

Party: Neoen (Project developer)

Milbank Tweed Hadley & McCloy

Party: Neoen (Project developer)

Romero Pineda & Asociados

Party: Neoen (Project developer)

Telles & Asociados

Party: Neoen (Project developer)

Overview:

- French company Neoen is developing the project with El Salvadoran subsidiary Providencia Solar.
- The Inter-American Development Bank, the Canadian Climate Change Fund and Proparco were the lenders.
- The project is the first-ever commercial-scale solar project in El Salvador.

Monte Plata 64MW photovoltaic power plant

Jurisdiction:

Dominican Republic

Deal type:

Project development

Industry sectors:

Energy

Firms:**Baker McKenzie**

Party: General Energy Solution (Investor)

Hogan Lovells

Party: FMO (Lender)

Jiménez Cruz Peña

Party: General Energy Solution (Investor)

Pellerano & Herrera

Party: FMO (Lender)

Overview:

- The Monte Plata solar plant became operational in October 2016.
- It is the largest solar project in the country with a capacity of 64MW.
- SOVENTIX is the developer and operator of the plant.
- General Energy Solutions is the investor and owner.
- FMO provided an \$80 million loan to General Energy Solutions to develop the plant.

Punta Catalina 770MW coal power plant

Jurisdiction:

Dominican Republic

Deal type:

Project development

Industry sectors:

Energy

Firms:**Guzmán Ariza**

Party: Mammoet (Project company)

OMG

Party: CAEI (Project company)

Overview:

- The Punta Catalina is a 770MW coal power plant.
- A consortium formed by Norberto Odebrecht, Tecnimont and Ingeniera Estrella was awarded a contract to develop the plant in 2013.
- Consorcio Azucarero de Empresas Industriales (CAEI) entered an Enfitéusis Agreement with the Dominican Estate via the Corporación Dominicana de Empresas Eléctricas Estatales (CDEEE). This agreement allows the Dominican State to use and exploit the land where it is building the plant.

San Pedro 30MW biomass power plant

Jurisdiction:

Dominican Republic

Deal type:

Project development

Industry sectors:

Energy

Firms:

Castillo & Castillo

Party: Banco Popular (Lender)

OMG

Party: San Pedro Bio Energy (Project developer/ borrower)

Overview:

- The Dominican Republic's first biomass power plant was connected to the grid in 2016.
- The country's largest biomass plant, it will have an eventual capacity of 60MW.
- In February 2016, the project was refinanced with a loan from Banco Popular Dominicano, Banco Múltiple, Banesco, and Banco de Reservas de la República Dominicana

Red Compartida mobile network PPP

Jurisdiction:

Mexico

Deal type:

PPP; Project development

Industry sectors:

Telecommunications

Firms:

Allen & Overy

Party: Morgan Stanley Infrastructure (Sponsor)

Cuatrecasas

Party: Multitel (Concessionaire)

González Calvillo

Party: Bancomext (Lender); NAFIN (Lender); Banobras (Lender); Nokia (Lender); Huawei (Lender)

Greenberg Traurig

Party: Bank of America Merrill Lynch (Financial adviser)

White & Case

Party: Altan (Concessionaire)

Overview:

- Altán Redes was awarded the 20-year concession to develop the Red Compartida project, a telecommunications network that will provide coverage to 92% of the country.
- Altan is made up of Marapendi Holding, China-Mexico Fund, Caisse de Depot et Placement du Quebec, Megacable and Grupo Multitel.
- The project was mandated by Mexico's telecommunications reform.
- This is the first telecommunications PPP in Mexico.
- Bank of America Merrill Lynch acted as financial advisor to the Mexican Ministry of Communications and Transportation in structuring the tender process.
- The developer received a loan from Bancomext, NAFIN and Banobras, Mexican development banks to fund the project. Huawei and Nokia also acted as lenders. Citibanamex acted as agent. Banco Santander acted as hedging provider.

BHP Billiton / Pemex farm-out

Jurisdiction:

Mexico

Deal type:

Project development

Industry sectors:

Oil and gas

Firms:

Hogan Lovells

Party: Pemex (Joint venture partner)

Thompson & Knight

Party: BHP Billiton (Joint venture partner)

Overview:

- In March 2017, Pemex, the state-owned Mexican oil company formed an agreement with BHP Billiton, an Australian mining and petroleum company, to develop the Trion Block.
- BHP won the bid to develop the block in December 2016, during Mexico's deep-water hydrocarbon tender.
- This is Pemex's first oil farm-out.
- The block is more than 2500 metres deep, and could produce over 100,000 barrels of crude oil per a day.
- The farm-out was made possible by 2013 laws that opened Mexico's hydrocarbon sector to private investors.

Gunaa Sicarú 242MW wind farm/Bluemex 90MW photovoltaic power plant

Jurisdiction:

Mexico

Deal type:

Project development

Industry sectors:

Oil and gas

Firms:

Woodhouse Lorente Ludlow

Party: EDF (Bidder, Concessionaire)

Overview:

- EDF EN Mexico, a subsidiary of EDF Energies Nouvelles Group, won a contract for 342MW of renewable energy in Mexico's second long term clean energy auction.
- This includes the development of the Gunaa Sicarú wind farm and Bluemex photovoltaic power plant.
- The Gunaa Sicarú wind farm is a 242MW project, based in the Isthmus of Tehuantepec region in Oaxaca.
- The Bluemex project, is a photovoltaic plant, located in Guaymas in Sonora and will likely have a capacity of 90MW.
- The country plans to generate 35% of its energy from renewable sources by 2024.

Mexico City International Airport

Jurisdiction:

Mexico

Deal type:

Project development

Industry sectors:

Aviation

Firms:

Cleary Gottlieb Steen & Hamilton

Party: Aeropuertos y Servicios Auxiliares (Issuer)

Galicia Abogados

Party: Citigroup (Bookrunner); HSBC (Bookrunner); JPMorgan Chase (Bookrunner)

Jones Day

Party: Aeropuertos y Servicios Auxiliares (Issuer)

Paul Hastings

Party: Citigroup (Bookrunner); HSBC (Bookrunner); JPMorgan Chase (Bookrunner)

Overview:

- Mexico City is building a new international airport, which will replace Benito Juárez, Mexico City's current airport, which has faced issues with congestion for several years.
- The airport hopes to maintain a LEED Platinum certification and should be operational by 2020.
- Carlos Slim, a Mexican billionaire, led a consortium which won a concession to develop an airport terminal at the airport.
- In September 2016, The Mexican Ministry of Communications and Transportation and Aeropuertos y Servicios Auxiliares announced an issue of \$2 billion green bonds to finance the airport.
- The issue includes \$1 billion 4.25% senior secured notes which reach maturity in 2026 and \$1 billion 5.5% senior secured notes which reach maturity in 2046. Citigroup, JPMorgan and HSBC acted as joint bookrunners.

Nueva Era pipeline

Jurisdiction:

Mexico

Deal type:

Project development; Project finance

Industry sectors:

Energy; Oil and gas

Firms:

Creel García-Cuéllar Aiza & Enríquez

Party: Howard Midstream Energy Partners (Sponsor)

Galicia Abogados

Party: Sumitomo Mitsubishi UFJ Financial Group (Lead arranger); Mitsui Banking Corporation (Creditor); Caixa (Creditor); Santander Bank (Lead arranger); Société Générale (Creditor); Sumitomo Mitsui Banking Corporation (Creditor)

Latham & Watkins

Party: Howard Midstream Energy Partners (Sponsor)

Milbank Tweed Hadley & McCloy

Party: Sumitomo Mitsubishi UFJ Financial Group (Lead arranger); Mitsui Banking Corporation (Creditor); Caixa (Creditor); Santander Bank (Lead arranger); Société Générale (Creditor); Sumitomo Mitsui Banking Corporation (Creditor)

Overview:

- The Nueva Era Pipeline is 200 miles long and will run from Webb County in Texas to the state of Nuevo León, where Monterrey is located.
- The pipeline is a joint venture between Howard Midstream Energy Partners (HEP) and Grupo CLISA. Both joint venture parties acted as sponsors.
- Sumitomo Mitsui Banking Corp, Caixa, and Société Générale granted a \$353.3 million credit facility to finance the pipeline.
- Mitsubishi UFJ Financial Group and Santander Bank acted as lead arrangers.

Chevron/Inpex/Pemex block 3 exploration

Jurisdiction:

Mexico

Deal type:

Project development

Industry sectors:

Oil and gas

Firms:

Baker McKenzie

Party: INPEX (Concessionaire)

Haynes & Boone

Party: Chevron (Concessionaire)

Hogan Lovells

Party: Pemex (Concessionaire)

Overview:

- Mexico state-owned oil company Pemex, US oil company Chevron, and Japanese oil company Inpex have signed a contract to explore block 3 north of the Perdido area.
- This marks the first time that Pemex has partnered with private companies to compete for a bid.
- The parties won a bid during Mexico's deep-water hydrocarbon tender in December 2016.
- This move was made possible by 2013 hydrocarbon reforms which opened the hydrocarbon sector to private investment and ended Pemex's monopoly.

Samalayuca–Sásabe pipeline

Jurisdiction:

Mexico

Deal type:

Project development

Industry sectors:

Oil and gas

Firms:

Galicia Abogados

Party: Grupo Carso (Borrower; Project developer)

Milbank Tweed Hadley & McCloy

Party: BBVA Bancomer (Lender); Bank of Tokyo-Mitsubishi (Lender); CaixaBank (Lender); Mizuho Bank (Lender); Sumitomo Mitsubishi Banking Corporation (Lender)

Ritch Mueller Heather & Nicolau

Party: BBVA Bancomer (Lender); Bank of Tokyo-Mitsubishi (Lender); CaixaBank (Lender); Mizuho Bank (Lender); Sumitomo Mitsubishi Banking Corporation (Lender)

Shearman & Sterling

Party: Grupo Carso (Borrower; Project developer)

Overview:

- The Samalayuca–Sásabe Pipeline is a 630km natural gas pipeline which stretches from Samalayuca in Chihuahua to Sásabe in Sonora.
- Carso Gasoducto Norte, a subsidiary of Grupo Carso, is developing the pipeline.
- The pipeline will transport about 472 million cubic feet a day and supply gas transportation to Comisión Federal de Electricidad, the Mexican state-owned electricity company.
- Carso has taken out \$534.77 million in financing from BBVA Bancomer, Bank of Tokyo-Mitsubishi, CaixaBank, Mizuho Bank, and Sumitomo Mitsubishi Banking Corporation to repay a 2016 bridge loan to Carso Gasoducto Norte.

Villahermosa hospital PPP

Jurisdiction:

Mexico

Deal type:

PPP; Project development

Industry sectors:

Healthcare; Social infrastructure

Firms:

Nader Hayaux & Goebel

Party: ISSSTE (Project developer)

Overview:

- Public Servants Social Security and Services Institute (ISSSTE) is developing a bidding process to construct and maintain a general hospital in Villahermosa, Tabasco, with a capacity of 90 beds
- This will be done under the PPP structure, and the concession will last 25 years.
- ISSSTE oversees health care and social security systems for state workers.

Cogeneracion Green Power 38MW sugar cane power plant

Jurisdiction:

Nicaragua

Deal type:

Project development; Project finance

Industry sectors:

Energy

Firms:**Consortium Legal****Party:** Banpro (Lender)**Overview:**

- Banpro has provided Nicaragua's 38MW Cogeneracion Green Power plant with a \$31 million loan.
- Interestingly, the loan came in the form of the raw material bagasse cane, inventory that the Cogeneracion plant will use to generate energy.
- Cogeneracion Green Power is a subsidiary of Ingenio Montelimar.
- Cogeneracion was represented by in-house counsel.

Costa Norte 380MW LNG power plant

Jurisdiction:

Panama

Deal type:

Project development; Project finance

Industry sectors:

Energy

Firms:**Alemán Cordero Galindo & Lee****Party:** AES Panama (Project developer)**Arias Fábrega & Fábrega****Party:** Bancogeneral (Lender); Bancolombia (Lender); Central American Bank for Economic Integration (Lender); Global Bank Corporation (Lender); International Finance Corporation (Lender)**Chadbourne & Parke****Party:** Bancogeneral (Lender); Bancolombia (Lender); Central American Bank for Economic Integration (Lender); Global Bank Corporation (Lender); International Finance Corporation (Lender)**Vinson & Elkins****Party:** AES Panama (Project developer)**Overview:**

- AES Panama has obtained a \$291.5 million credit facility to develop the Costa Norte power plant.
- The plant, storage terminal and transport infrastructure will be located near the Atlantic Ocean entrance of the Panama Canal in Colón.
- This is the first LNG plant to be developed in Central America.
- This will also be the largest natural gas complex built in Panamanian history.
- Among the lenders were the International Finance Corporation (IFC), the Central American Bank for Economic Integration (CABEI), Bancolombia, Bancogeneral and the Global Bank Corporation.

Port of Rodman phase two

Jurisdiction:

Panama

Deal type:

Project development; Project finance

Industry sectors:

Transport

Firms:**Alfaro Ferrer & Ramirez****Party:** PSA Panama International Terminal shareholders**Arias Fábrega & Fábrega****Party:** Clifford Capital (Lender)**Clifford Chance****Party:** Clifford Capital (Lender)**Latham & Watkins****Party:** PSA Panama International Terminal (Project developer)**Patton Moreno & Asvat****Party:** PSA Panama International Terminal (Project developer)**Overview:**

- Phase two of the expansion of the Port of Rodman in Panama has been financed through a \$150 million loan by Clifford Capital to PSA Panama International Terminal.
- The port rests close to the entrance of the Panama Canal.
- The Rodman expansion is being built under two different concession contracts, one with the Panama Maritime Authority and one with Panama Canal Authority.
- The entire Panama Canal had been in the process of a massive expansion project that began in 2008 and ended in the summer of 2016.
- Certain PSA shareholders were advised by Alfaro Ferrer & Ramirez.

Tocumen International Airport expansion

Jurisdiction:

Panama

Deal type:

Project bond; Project development

Industry sectors:

Aviation

Firms:

Alemán Cordero Galindo & Lee

Party: Aeropuerto Internacional de Tocumen

Arias Fábrega & Fábrega

Party: Citigroup Global Markets (Initial purchaser)

Milbank Tweed Hadley & McCloy

Party: Citigroup Global Markets (Initial purchaser)

Shearman & Sterling

Party: Aeropuerto Internacional de Tocumen

Overview:

- The Tocumen International Airport has raised \$575 million through a Rule 144A/Reg S note issue on the Panamanian and Luxembourg stock exchanges.
- The proceeds from the 5.625% notes, due in 2036, will be used to finance the airport's expansion, which includes a new South Terminal.
- This was Tocumen's first international bond offering.
- Citigroup Global Markets acted as sole initial purchaser.

LATIN AMERICA / CENTRAL AMERICA AND THE CARIBBEAN

Central America and the Caribbean

Project finance transactions which reached financial close in 2016

(Data provided by IJ Global)

| Name | Country | Sector | Sub sector | Transaction type | Value |
|--|-----------------------|---------------------|------------------|-----------------------------|---------------|
| Providencia Solar PV Plant (100MW) | El Salvador | Primary Financing | Renewables | Photovoltaic Solar | \$151 million |
| Cantarell I & Cantarell II Jackup Drilling Platforms | Mexico | Primary Financing | Oil & Gas | Upstream | \$268 million |
| Coahuila Wind Farm (199.5MW) | Mexico | Primary Financing | Renewables | Onshore Wind | \$278 million |
| Coahuilica Wind Farm | Mexico | Primary Financing | Renewables | Onshore Wind | \$278 million |
| Coatzacoalcos Tunnel (2.2KM) PPP Refinancing | Mexico | Refinancing | Transport | Tunnels | \$45 million |
| Irapuato-La Piedad Highway (74.3KM) PPP Refinancing | Mexico | Refinancing | Transport | Roads | \$14 million |
| La Laguna – Aguascalientes Gas Pipeline (450KM) | Mexico | Primary Financing | Oil & Gas | Midstream | \$737 million |
| Maravatio-Zapotlanejo & Guadalajara-Leon Highways PPP Refinancing | Mexico | Refinancing | Transport | Roads | \$88 million |
| Oaxaca I Wind Farm (102MW) Refinancing | Mexico | Refinancing | Renewables | Onshore Wind | \$100 million |
| Perote-Xalapa Highway PPP Refinancing | Mexico | Refinancing | Transport | Roads | \$250 million |
| Puebla Wind Farm (66MW) | Mexico | Primary Financing | Renewables | Onshore Wind | \$60 million |
| Samalayuca-Sasabe Natural Gas Pipeline (650KM) Bridge Facility | Mexico | Additional Facility | Oil & Gas | Midstream | \$240 million |
| Sinaloa Electric Power Lines and Substations | Mexico | Primary Financing | Power | Transmission & Distribution | \$33 million |
| TEG Additional Facility | Mexico | Additional Facility | Power | Coal-fired | \$10 million |
| Villa de Reyes - Aguascalientes - Guadalajara Gas Pipeline (389KM) | Mexico | Primary Financing | Oil & Gas | Midstream | \$484 million |
| Nueva Era Gas Pipeline | Mexico; United States | Primary Financing | Oil & Gas | Midstream | \$353 million |
| Aeropuerto Internacional de Tocumen Bond Facility 2016 | Panama | Additional Facility | Transport | Airports | \$575 million |
| Colon LNG-to-Power Project Phase 1 | Panama | Portfolio Financing | Power; Transport | Gas-Fired; Ports | \$995 million |
| Paris (9.8MW) and Los Angeles (9.8MW) Solar PV Plants | Panama | Portfolio Financing | Renewables | Photovoltaic Solar | \$42 million |
| Rodman Port Expansion Phase 2 PPP | Panama | Primary Financing | Transport | Ports | \$150 million |
| Solar Panama (10.1MW) and Solar Azuero (11.2MW) Power Plants | Panama | Portfolio Financing | Renewables | Photovoltaic Solar | \$41 million |

South America

Argentina

Argentina imports much of its energy from neighbouring countries. To offset the gap between the country's energy supply and demand, the government has taken a series of steps intended to decrease the country's reliance on its neighbours and increase its self-sufficiency. This often involves soliciting services and ideas from private investors and developers, so law firms have been busy helping their clients adjust to these regulatory changes to take advantage of new opportunities in energy.

In November 2016, Argentina put into place a new PPP public private partnership (PPP) law. "Under Argentine law, the government is traditionally deemed to have exorbitant powers when entering administrative contracts with the private sector. According to these powers, the administration is allowed, for example, to unilaterally amend or terminate the contract on the grounds of convenience and the private contractor is not entitled to claim lost profits," Francisco Macías, a partner of Marval O'Farrell & Mairal explains. "However, the PPP law authorises the government to agree on valid limitations to these exorbitant powers and allows the private contractor to claim lost profits in case of breach or termination of the contract by the administration."

Developments in energy are expected in both conventional and renewable fuels. Oil and gas are still strong sectors in the country. Argentina is home to the Vaca Muerta shale reserve, one of the largest in the world. Over the years, many investors and oil companies have formed agreements and made attempts to explore and exploit the reserve. For example, in February 2017 YPF and Royal Dutch Shell reached an agreement to develop the Bajada de Añelo field in Vaca Muerta.

One gas project that stands out is the construction of a 2,330km gas pipeline in the province of Cordoba. The pipeline is di-

vided into three sections: one to be constructed by China Communications Construction Company, another to be constructed by Odebrecht, and the other to be constructed by China Petroleum Pipeline Bureau, working alongside Electroingeniería, an Argentine construction company.

Although the country is still interested in exploring and developing its oil and gas potential, it has also taken steps to improve its renewable energy generation capacity. There are two major benefits to this. First, it allows the country to meet global renewable energy targets and help fight climate change. Secondly, it allows the country to be more energy independent. Argentina has passed laws that pledge to generate 8% of its electricity from renewables by December 2017 and 20% of its electricity from renewables in 2025, and the country's recent actions suggest it is well on its way to reaching its goal.

In October 2016, Argentina held a renewable energy auction. The country awarded 17 renewable energy projects, collectively worth 1109MW. President Mauricio Macri also launched the Renovar programme. "Renovar provides tax benefits including import duties exemption, fast amortisation for income tax purposes and VAT advance return, among others. Benefits are greater for investments made before December 31, 2017 and then gradually decrease," Macías said.

Additionally, the country put out requests for proposals, which are under review, to improve the power generation system.

Of course, the influx of projects in the market, needs to be financed and for some developers, the international capital markets are the best way to do this. Argentina's return to the international capital markets in April 2016 sparked major interest from investors and some developers are taking advantage of that interest to fund their projects. In February 2017, Stoneway raised \$500 million in a project bond issue in-

tended to finance the development of four 686.5MW simple-cycle power generating plants, in what is thought to be the first greenfield project bond issue out of Argentina in 25 years. The province of La Rioja also announced an issue of \$200 million 9.7% notes in the international capital markets, the proceeds of which it intends to use to finance renewable energy projects. And the Province of Tierra del Fuego issued \$200 million 8.95% notes which will fund infrastructure projects.

There is also a push to develop infrastructure. In December 2016, the Inter-American Development bank granted \$300 million in financing to develop National Highway 19 in Córdoba. The country has also put forth a \$35 billion national infrastructure plan. The country hopes to double the highway network, improve ports, develop metropolitan trains, and improve airports. That being said, most of the projects under this plan are at an early stage of development.

Bolivia

Bolivia is rich in natural gas resources, which are a significant export for the country. But the country is also looking to develop its renewable energy sector. The Oruro solar plant was one significant project in this sector. This project was financed with a loan from the French Development Agency in 2016. The country attempted to open the project up for bidders in 2016, but this did not come to fruition. In February 2017, the country opened a second bid for the Oruro plant. Although the project will start off at 50 MW, it has the capacity to expand to 100 MW.

Also along the renewable energy trek, Asociacion AH Carriza received a contract to complete the design study for the 347-MW Carrizal hydro plant. The Rositas hydro plant is another significant hydro plant in the country.

Recently the country transitioned from having one Minister of Energy to having a Minister of Energy and Minister of Hydrocarbons. This allows the Minister of Energy to focus more on developing renewable energy, like the projects detailed above.

China remains a significant investor in the country. In October 2016, China granted a \$4.86 billion loan to Bolivia for infrastructure projects. The Rositas hydro plant will be financed through this loan, alongside a Viru Viru airport expansion and nine road infrastructure projects, according to EFE. Additionally, in March 2017, the Japan International Cooperation Agency provided Bolivia with a 61.485 billion yen financing for the construction of the second stage of the 100 MW Laguna Colorada geothermal project.

The country is also expanding the Chimore airport, by adding a runway, terminal and cargo runway, according to Ch-Aviation. Furthermore, Peru and Brazil are considering building a Bioceanic central railway to connect the two countries. Recent plans would have the railway pass through Bolivia. While it is unclear whether or not, and how soon, this project will come to fruition, this is another big project to watch out for.

Brazil

Brazilian news has been dominated by the unexpected transition from former president Dilma Rousseff's Worker's Party (PT) administration to that of former vice president and current president Michel Temer's.

Widely viewed as friendlier to markets, one of Temer's main initiatives has been to auction off infrastructure to private buyers. The Brazilian state raised over \$1 billion through the sale of four airports as part of Temer's planned wave of privatisation.

However, it remains unclear what the fall of PT and the rise of Temer - who cannot legally run for re-election and is himself implicated in a fresh, currently unravelling scandal - will mean for the future of Brazil's energy and infrastructure policies.

Moreover, the focus that Brazilian semi-public energy juggernaut Petrobras has garnered as the centre of the ongoing Lava Jato corruption investigation adds even more unknowns to the direction of the country's energy sector.

Lava Jato and presidential vicissitudes aside, Brazil was still the centre of numerous innovative energy and infrastructure projects this past year, many with significant international components.

One of the most interesting projects was the Seabras-1 fibre optic cable system, which brought work to a handful of international firms. Being developed by US-based Seaborn Networks, the cable will be the first

direct fibre optic route from Brazil to the United States, running from Sao Paulo to New York.

As would be expected of Brazil, the oil and gas sector saw significant development. Near the city of Acaraju, General Electric entered into a contract with a Brazilian electrical company to develop the Porto de Sergipe LNG-to-Power project. The 1.5GW combined cycle power plant is slated to begin operating in 2020.

Chile

Chile implemented its first public-private partnership (PPP) projects in the late 90s and early 2000s. Now, however, the country needs to expand existing infrastructure or build new infrastructure. Furthermore certain concessions are expiring and need to be renewed. The Arturo Merino Benítez International Airport exemplifies this trend.

The Arturo Merino Benítez International Airport is responsible for 98% of the country's international traffic and 60% of its domestic traffic. Due to the growth of the country and increased congestion at the airport, the airport needed to be expanded. The Nuevo Pudahuel consortium, made up of Vinci Airports, Aéroports de Paris and Astaldi, won a tender to operate and expand the airport in 2015. The project further advanced when it received a dual currency loan from a syndicate of banks in July 2016.

If the airport is one of the country's most significant infrastructure projects, renewable energy is one of the most significant sectors. The country has a goal of generating 70% of its electricity from renewables by 2050 and is developing an array of wind and solar projects.

Santiago Solar is a 115MW photovoltaic project located in the Santiago area, which received financing in May 2016. Meanwhile, SunPower El Pelicano is developing a 100MW solar plant in the IV Region, Chile. SunPower will use energy from the project to supply the Metro de Santiago with renewable energy, as part of a PPA. This project and PPA has added significance because it will allow the Metro de Santiago to run mostly (60%) on renewable energy. Additionally, the Cabo Leones I wind project is a 115.5MW plant located in the Atacama region of Chile. In addition to these larger projects, the market has also seen micro projects, particularly in hydropower which some banks are more willing to finance.

To maintain and develop its power grid, the country will auction off electricity and power projects to private companies. In August 2016, the country held an auction for 12,000GWh of power. The auction winners received 20 year contracts which are expected to start in 2021. 84 companies submitted 85,000GWh worth of bids.

Mainstream Renewable Power was awarded seven utility-scale wind energy plants, collectively worth \$1.65 billion. In late 2017, the country will hold another auction, where it will auction off 1,620GWh of electricity projects which would begin to supply electricity in January 2023, and then supply it for 20 years. Proposals are due October 11, 2017.

"Although several projects have been financed on a merchant basis, curtailment issues along with excess energy supply from wind or photovoltaic plants have made difficult to continue financing projects that are not contracted," says Carey partner Felipe Moro. "The bidding auctions intended to provide steady supply to electricity distribution companies have helped to close this risk, and although different from the standard power purchase agreements that lenders are used to, the contracts being executed in these auctions have been accepted in recent financings. There is big appetite in the market to participate in these processes, which have been adapted to facilitate the inclusion of NCRE projects."

Chile is also well-known for its commodities sector, particularly copper. InterChile, a subsidiary of Interconexión Eléctrica, is developing the Cardones-Polpaico 500kv, 750 km double circuit transmission lines which will serve the centre and south of Chile and serve mining operations in the north of the country. Recent turmoil in the sector has slowed the development of new projects. Furthermore, Escondida, BHP Billiton's largest copper mine, saw a six-week strike in March 2017. The strike significantly slowed production at the mine. The immediate future of the mining sector remains unclear: some believe that projects will start again soon, while others believe it may take more time. Although project development is slow, the sector has seen some M&A. For example, in March 2017, Barrick and Goldcorp announced a joint venture at the Maricunga gold belt.

Colombia

Colombia's energy and infrastructure sectors were tainted by scandal over the course of this past year. Revelations that construction company Odebrecht bribed leading members of the Colombian government have cast a pall over energy and infrastructure activity, with uncertainty lining the road ahead for Colombian investment.

Most other recent news coming out of Colombia has focused on the much-awaited peace agreement with the FARC and the protests and referendum over mining activities in Cajamarca. While the former is a source of stability, the latter conflict will affect mining development.

The referendum on the Cajamarca mine

- which received a staggering 98% vote against - would seem to indicate a movement away from the mining sector in Colombia. However, the government remains committed to nurturing mining development and has gestured that Colombia will continue to make itself an appealing site for foreign investors.

Indeed, it would appear up to this point that government assurances have been reliable: Colombia's Buriticá gold mine obtained \$250 million in financing this past January, the largest project financing in the history of the Colombian mining sector.

Being developed by Canada's Continental Gold in the jurisdiction of Antioquia, Buriticá additionally stands out as a rare formal gold mine in a country where most gold mining is done by small, informal parties.

Also being developed in Antioquia, the Pescadero-Ituango hydroelectric plant (also known as Hidroituango) received financing from the Brazilian Development Bank (BNDES). Being developed by Medellín Public Companies (EPM), the 2400MW hydroelectric plant will be the largest in Colombia.

In addition, the energy sector saw the expansion of the Jobo-Cartagena natural gas pipeline by developer Canacol Energy.

Although the mining and energy sectors have grabbed most headlines, it was highway and toll road concessions that made up the bulk of Colombian energy and infrastructure activity.

Under the Colombian government's \$25 billion 'Highways for Prosperity' infrastructure plan, a number of fourth-generation (4G) roads are being constructed and revitalised, meaning constant work for a number of international and domestic firms.

Among the many 4G projects developed or which received financing over this past year are the Cartagena-Barranquilla highway, the Perimetral Oriental de Bogotá toll road and the Conexión Norte toll road.

Ecuador

Perhaps the most significant development in Ecuador this past year is the introduction of PPPs (public-private partnerships). Since the country passed a PPP law January 2016, several PPPs have come to market including the Port of Posorja, the Rio Siete-Huaquillas Highway, and Puerto Bolívar.

DP World won the 50-year concession to develop the Port of Posorja, which involves an investment of \$1.2 billion. The port allows post-panamax ships to come to the country and includes the construction of a 23km access road to the port, situated between Playas and Posorja. Concesionaria del Sur won a 30-year contract to develop the Rio Siete-Huaquillas Highway, Ecuador's first road PPP. Additionally, Yilport Hold-

ing signed a 50-year concession to develop and modernise Puerto Bolívar

Oil has traditionally been a significant industry for the country, which is OPEC's smallest member. In December 2016, Petroecuador, Ecuador's state-owned oil company, received \$900 million in financing from Thailand's PTT International and Oman Trading International. The sector, however, has been plagued by two major problems.

First there has been the decrease in the oil price. This, alongside the country's dependence on the dollar, has contributed to the country's recession. As a result of the recession, the government is looking to use alternative forms of financing to fund projects. Many consider the PPP structure particularly apt for this circumstance.

Second, officials at Petroecuador have been accused of corruption. Perhaps the most prominent of these is Carlos Pareja Yannuzzi, former minister of hydrocarbons and former head of Petroecuador, who has been accused of accepting bribes. This scandal adds further uncertainty to an already shaky sector, though it is unclear what the long-lasting effects of this scandal will be on the oil sector and the country.

The mining sector also saw some activity. In December 2016, Ludin Gold signed an exploitation agreement with the country to develop the Fruta del Norte gold mine. Codelco, Chile's national mining company, is developing the Llurimagua mine, a major copper mining project. The Cascabell project is another example of a gold-copper project in the country.

On a larger political scale, the country saw a shift in presidential administrations. Lenin Moreno, a socialist candidate, won the presidency in 2017, beating out Guillermo Lasso, a candidate for a centre-right party.

Paraguay

Paraguay first passed its public private partnership (PPP) law in 2013, which provided a regulatory framework to develop PPPs and in October 2016 the country saw its first PPP contract awarded. Sacyr-Mota Engil-Ocho, a consortium comprised of Sacyr, a Spanish construction company, Mota Engil, a Portuguese construction company, and Ocho A, a Paraguayan road construction company, won a 30-year concession to expand Route 2 and 7, two major highways in the country.

Although this was a major milestone for the infrastructure market, other PPPs and bids have had greater difficulty. The country had plans to put out a bid to expand Route 9 (Transchaco), in what would have been a significant turnkey project, but cancelled the bid in December 2016. A consortium led by

Sacyr was the highest bidder for the Asunción's Silvio Pettirossi International Airport. At time of press, however, this concession has not yet been awarded. Still, while other projects have faced difficulties, the country seems committed to developing its infrastructure and interested in awarding concessions to private developers.

Hydroelectricity dominates Paraguay's energy mix and is also a significant export for the country. The Itaipu Dam rests on the border of Brazil and Paraguay and one of the largest hydroelectric producers in the world.

Recently President Horacio Cartes attempted to amend the constitution so that he could run for another term in 2018. This move was controversial and met with protests. As of April 2017, Cartes stated he would not attempt to run for a second term.

Peru

Peru's energy and infrastructure sectors saw several major developments within the past year. First, Pedro Pablo Kuczynski was elected president of Peru in April 2016, and has expressed a desire to invest in infrastructure, using both private and public finance. Peru expects to grant 31 projects during 2017 and 2018. Second, in March 2017 the country amended its public-private partnership (PPP) law. The new law will increase the separation between state-authority Proinversion and the Ministry of Economy and Finance, decentralise Proinversion to promote more local and regional projects and allow Proinversion to include mechanisms to reduce the submission of reckless bids. Finally, Martin Vizcarra resigned from his position as Minister of Transport and Communications and ended the contract for the Chinchero airport, a contested project in the country.

These developments seem to illustrate two conflicting themes in Peru's. On one hand, the country is eager to invest in infrastructure; on the other, economic and political factors have caused projects to be stalled or delayed.

Mining is one sector that has faced a slowdown due to adverse economic conditions. Even without the economic problems, mining is still fraught with political and social tensions. Illegal mining remains a problem in the country. Carro Verde, a copper mine, saw a strike in March 2017. As a result of difficult economic and social conditions, several mining projects have been halted or stalled. For example, in April 2016, Newmont halted its Conga project, a copper and gold mine. Still, some are confident that the mining sector will improve over the next few years. A few developments have the potential to generate more activity. Yanacocha is the largest gold mine in Latin America and is operated by Newmont. Newmont is look-

ing to bring a new partner to the project and extend the mine's life. There will also be a tender for the Michiquillay mining project at the end of 2017.

Additional political problems also permeate the infrastructure sector. Between 2005 and 2014, Oderbrecht, a Brazilian engineering and petrochemical company, says that it has paid \$29 million in bribes. Edwin Luyo, a government official, has been arrested and accused of taking bribes in exchange for awarding Oderbrecht a contract to build the Lima Metro Line 1. Jorge Cuba, deputy transportation minister, has also been arrested. And former president Alejandro Toledo has been sentenced to 18 months in prison. It is unclear what the long lasting effect of this will be on the country, its infrastructure sector and its metro system.

Despite the corruption scandal, the Lima Metro is one of the country's most significant infrastructure projects. Lines 1 and 2 have already been tendered, but a tender for Line 3 is in the works, and there are plans to develop Lines 4, 5 and 6.

Oil remains an important sector in Peru. Petroperú, the national oil company, is expanding and modernising the Talara Refinery. Técnicas Reunidas was awarded a concession for the project. The project will expand the refinery in capacity, and to meet Peruvian environmental laws, the refinery will produce fuel and gas with a sulfur content of no more than 50 ppm. Like the mining sector, the oil sector does face social and environmental problems. In August 2016, a pipeline in the Amazon spilled. Spills like this exacerbate existing tensions between environmentalists and oil producers.

Renewable energy development is increasing in Peru. In February 2016, a fourth renewable energy auction was held, where it tendered new projects. Two companies won tenders at the auction. Enel Green Power won a 20-year contract for 126MW of wind

power, 18 MW of solar power and 20 MW of hydropower. Grenergy won two 18MW wind farms. Peru intends to hold another auction in 2018.

Uruguay

Finnish company UPM turned heads around the world in July 2016 when it announced it would invest \$5 billion in Uruguayan infrastructure. The early indicators are that the Uruguayan government intends to use the funds for highway and rail PPPs, a number of which are currently open for bids. This massive push for PPP projects comes shortly after the first two Uruguayan PPPs last year; the PPP structure has only been legal in Uruguay since 2011.

Large-scale infrastructure funding was not confined to UPM's investment. In October, the Development Bank of Latin America (CAF) and the Uruguayan government established an infrastructure projects fund through a \$350 million securities issuance, the largest such issuance in Uruguay's history.

Known as a leader in renewable energy, Uruguay further solidified that reputation this past year with a financing deal for the development of the Peralta wind park. Located in the jurisdiction of Tacuarembó, the 100MW plant will consist of wind farms Peralta I and II. The wind farm developer is German company Enercon, and the financing is all from German sources.

In addition, the developer of the Vientos de Pastorela 53MW wind farm project in Uruguay's Flores province obtained \$100 million in financing. The proceeds will be used to refinance a previous loan and to continue the wind farm's development, with an eye toward eventually making Vientos de Pastorela a 150MW capacity generator.

However, Uruguay has shown continued interest in exploring other, less clean energy sources. Uruguayan state company ANCAP has maintained a relationship with Russian

energy giant Gazprom in the search for hydrocarbons.

Furthermore, ANCAP made a very recent announcement that it will be tendering 17 offshore blocks for oil exploration. Known as Uruguay Round III, the tender is scheduled for September 2018.

Venezuela

Developments in Venezuela's energy and infrastructure sectors have been overshadowed by the political and economic turmoil the country faces with inflation expected to reach 2000% in 2018, according to International Monetary Fund data.

The country faces severe shortages of food, medicine, and other necessities. Political instability exacerbates these issues, and many argue that the country has approached or is approaching authoritarianism. Furthermore, some officials from PDVSA, the country's state-owned oil company, have faced charges of corruption.

Venezuela has also faced several lawsuits in the past few years, particularly from companies who have argued that the country illegally seized their assets after the government nationalised various projects. One example is oil company Helmerich & Payne with its case reaching the US Supreme Court, another, Crystallex, a Canadian mining company, was awarded \$1.39 billion in another decision, although Venezuela is looking to appeal.

Venezuelan lawyers continue to help their clients through these uncertain and tumultuous times and while some foreign investors have already sold their assets, others hold on in hope that the country's political situation will improve.

The country's oil reserves are said to be some of the largest in the world. In September 2016, PDVSA awarded \$3.6 billion in contracts to Schlumberger and other companies granting them the right to drill wells in the Orinoco Belt.



DEAL DATA

The deals that matter. The lawyers that led them.

Below is a selection of energy and infrastructure deals taken from IFLR1000 Deal Data.

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Campana refinery expansion

Jurisdiction:

Argentina

Deal type:

Project development

Industry sectors:

Energy; Oil and gas

Firms:

Linklaters

Party: Axion Energy ((Project develop) (borrower)

Pérez Alati Grondona Benites Arntsen & Martínez de Hoz

Party: Axion Energy

Chadbourne & Parke

Party: IFC (Lender)

Estudio Beccar Varela

Party: IFC (Lender)

Overview:

- AXION Energy Argentina is expanding its Campana refinery.
- The expansion will increase the refinery's production of refined products such as ultra-low sulphur diesel, reduce its sulphur emissions, and increase access to cleaner fuels by expanding its distribution network.
- To finance the expansion AXION Energy borrowed \$78 million from IFC and a negotiated a separate \$300 million syndicated loan with IFC, Santander, ICBC, Crédit Agricole, BBVA, and Citibank, among others.

Cauchari 300MW photovoltaic power plants

Jurisdiction:

Argentina

Deal type:

Project development

Industry sectors:

Energy

Firms:

Estudio Garrido Abogados

Party: Talesun (Bank)

Overview:

- The province of Jujuy won a concession to develop three 100MW Cauchari photovoltaic power plants at Argentina's October 2016 renewable energy auction.
- This was part of the Renovar program, launched by President Macri.
- Jujuy Energy and Mining State Society, or JEMSE, is developing the project. Talesun Energy worked with JEMSE to finance the project. An October 2016 RechargeNews article reported that Powerchina and Shanghai Electric were also working with JEMSE.
- In February 2017, the government of Jujuy signed an agreement with Enel Green Power Argentina, to develop a fourth plant, which would expand the capacity of the project to 400 MW.
- At time of press, the counsel to the concessionaire could not be disclosed.

Province of Cordoba 2,300 km gas pipeline

Jurisdiction:

Argentina

Deal type:

Project development

Industry sectors:

Energy, Oil and gas

Firms:**Beretta Godoy****Party:** China Petroleum Pipeline Bureau (Concessionaire)**Overview:**

- A group of companies are building a 2,330 km gas pipeline in the province of Cordoba.
- China Petroleum Pipeline Bureau won a bid to construct a section of the pipeline and signed a contract with the authorities in February 2016.
- China Petroleum Pipeline Bureau is building a 900 km section with Electroingeniería, an Argentina construction company.
- China Communications Construction Company and Odebrecht also received contracts to construct sections of the pipeline.

Shandong Gold and Barrick Gold Corporation joint venture

Jurisdiction:

Argentina

Deal type:

Joint venture; Project development

Industry sectors:

Energy

Firms:**Davies Ward Phillips & Vineberg****Party:** Barrick (Joint venture partner)**Bruchou Fernández Madero & Lombardi****Party:** Barrick (Joint venture partner)**Norton Rose Fulbright****Party:** Shandong Gold (Joint venture partner)**Brons & Salas****Party:** Shandong Gold (Joint venture partner)**Overview:**

- Barrick Gold Corporation, a Canadian gold mining company, entered a strategic cooperation agreement with Shandong Gold Group, a Chinese gold mining company, to focus on assets in Argentina.
- As part of this agreement, Shandong will acquire 50% of Barrick's Veladero mine in the province of San Juan, Argentina, for \$960 million. The companies will also jointly explore the development of the Pascua-Lama deposit, locating 10 km away from the Veladero mine.
- Furthermore, they will explore investment opportunities in the El Indio Gold Belt on the border of Argentina and Chile.

Stoneway Capital Corporation simple-cycle 686.5MW power plants

Jurisdiction:

Argentina

Deal type:

Project development

Practice area:

Project development; project bonds

Industry sectors:

Energy

Firms:**Holland & Knight****Party:** Stoneway Capital Corporation (Project developer) (Issuer)**Stewart McKelvey****Party:** Stoneway Capital Corporation (Project developer) (Issuer)**Cabanellas Etchebarne Kelly****Party:** Jefferies International Limited (Global Coordinator) (Underwriter)

Seaport Global Securities (Underwriter)

Simpson Thacher & Bartlett**Party:** Jefferies International Limited (Global Coordinator) (Underwriter)

Seaport Global Securities (Underwriter)

Pérez Alati Grondona Benites Arntsen & Martínez de Hoz**Party:** The Bank of New York Mellon (Trustee)**Overview:**

- Stoneway Capital Corporation is developing four simple-cycle power generating plants in Matheu, Luján, Las Palmas and San Pedro in Buenos Aires, totaling 686.5MW in capacity.
- To finance the project, the company has issued a \$500 million 10% project bond, in what is believed to be the first greenfield power generation project bond issued from Argentina in the past 25 years.
- The transaction also includes a \$115 million equity loan from Siemens Financial Services.
- Jefferies acted as global coordinator. Jefferies and Seaport Global Securities acted as underwriters and joint book-running managers.

Carrizal 360MW hydropower plant

Jurisdiction:

Bolivia

Deal type:

Project development

Industry sectors:

Energy

Firms:

FERRERE

Party: Tysa and Engecorps (Concessionaire)

Overview:

- Asociacion AH Carrizal, which comprise Tysa, Engecorps and Consultoria Internacional Multidisciplinaria Aguilar y Asociados, has been awarded the contract to develop the 347MW Carrizal hydropower plant in Bolivia.
- The project will be constructed on the Camblaya River.
- Empresa Nacional de Electricidad, Bolivia's state power company, is developing the project.

Chimore' airport expansion

Jurisdiction:

Bolivia

Deal type:

Project development

Industry sectors:

Aviation

Firms:

Guevara & Gutiérrez

Party: Sergut (Project developer)

Overview:

- Sergut, a Bolivian construction company, entered a construction agreement with the government of Bolivia to expand the Chimore' airport.
- The new airport will include a 4,000 metre runway, a 5,000 square metre passenger terminal, and a 3,000 square metre cargo terminal.

Nuclear Research and Technology Center in Bolivia

Jurisdiction:

Bolivia

Deal type:

Project development

Industry sectors:

Energy

Firms:

FERRERE

Party: Rosatom (Project developer)

Overview:

- Rosatom, Russia's state-owned nuclear agency, entered agreements with the government of Bolivia to build a nuclear research and technology centre in Bolivia.
- The centre will allow the country to understand and apply nuclear technology to science, medicine, geology, and agriculture.
- It is thought that this could result in the construction of a nuclear power plant in Bolivia. As of now, Brazil, Argentina and Mexico are the only countries in Latin America with nuclear power plants.

Oruro 50MW photovoltaic power plant

Jurisdiction:

Bolivia

Deal type:

Project development; Project finance

Industry sectors:

Energy

Firms:

Bufete Aguirre

Party: French Development Agency (Lender)

Overview:

- Oruro is a 50MW solar plant in Bolivia.
- In March 2017, the country launched a new tender for the project after the first failed.
- The government of Bolivia is borrowing \$65.5 million from the French Development Agency to finance the project.
- Additionally, the European Union contributed \$10 million and ENDE, the national utility company, \$19.5 million.

Açu Port trans-shipment terminal

Jurisdiction:

Brazil; United States

Deal type:

Project finance; Project development

Industry sectors:

Shipping

Firms:

Paul Hastings

Party: Prumo Logistica (Project developer)

Mattos Filho Veiga Filho Marrey Jr & Quiroga Advogados

Party: Prumo Logistica (Project developer)

White & Case

Party: Overseas Private Investment Corporation (Lender)

Machado Meyer Sendacz Opice Advogados

Party: Overseas Private Investment Corporation (Lender)

Overview:

- Brazilian port operator Prumo Logistica Açu is building trans-shipment terminal at Açu Port.
- The company secured \$350 million in financing for the project
- The 18-year non-recourse financing was provided by US development finance institution the Overseas Private Investment Corporation (OPIC).
- At the close of financing, this was the second largest Latin American transaction in OPIC history.
- The terminal will be used to transfer oil between ships.

BR-050 toll road

Jurisdiction:

Brazil

Deal type:

Project finance

Industry sectors:

Transport

Firms:

Frignani Sociedade de Advogados

Party: MGO Rodovias (Concessionaire)

Souza Cescon Barriue & Flesch Advogados

Party: Caixa Econômica Federal (Lender)

Overview:

- Minas Gerais Highways Concessionaire Goiás (MGO Rodovias) has obtained R\$550 million to finance improvements to toll road BR-050.
- The loan was provided by Brazilian state-owned bank Caixa Econômica Federal.
- The road connects the Brazilian states of Minas Gerais and Goiás.
- The improvements will consist of widening roads and doing maintenance work.
- Frignani didn't comment on counsel information.

Hidrovias do Brasil Pará waterway

Jurisdiction:

Brazil

Deal type:

Project finance; Project development

Industry sectors:

Shipping

Firms:

Machado Meyer Sendacz Opice Advogados

Party: Hidrovias do Brasil (Project developer)

Mattos Filho Veiga Filho Marrey Jr & Quiroga Advogados

Parties: BNDES (Lender), Banco do Brasil (Lender), Itaú Unibanco (Lender), Banco do Amazônia (Lender)

Overview:

- Hidrovias do Brasil Pará waterway development to serve as a trans-shipment terminal for road-to-water shipments.
- Pará is a state in the north of Brazil.
- Hidrovias is a waterway logistics company.
- Brazilian development bank BNDES, Banco do Brasil, Itaú Unibanco and Banco da Amazônia.
- BNDES was advised by in-house counsel.

Porto de Sergipe 1.5GW combined-cycle power plant

Jurisdiction:

Brazil; United Kingdom

Deal type:

Project finance; Project development

Industry sectors:

Energy; Oil & gas

Firms:

Mattos Filho Veiga Filho Marrey Jr & Quiroga Advogados

Party: Celse (Project company)

Shearman & Sterling

Party: Golar Power (Investor)

Overview:

- Brazilian electrical company Centrais Elétricas Sergipe (Celse) has entered an engineering, supply and construction (EPC) contract with General Electric (GE).
- The EPC will cover about 80% of the project's total costs.
- The plant will be located near Aracaju, the capital of the northern Brazilian state of Sergipe.
- Investor Golar Power holds a 49% interest in Celse.
- The remaining 51% interest is held by EBRASIL.
- GE was represented by in-house counsel.
- The plant is expected to begin operating by 2020.

Seabras-1 fibre optic cable system project

Jurisdiction:

Brazil; France; United Kingdom; United States

Deal type:

Project finance; Project development

Industry sectors:

Technology & telecommunications

Firms:

Milbank Tweed Hadley & McCloy

Party: Seaborn Networks (Project developer)

BMA – Barbosa Müssnich Aragão

Party: Seaborn Networks (Project developer)

Sidley Austin

Parties: Natixis (Lender), Partners Group (Investor)

Veirano Advogados

Party: Natixis (Lender)

Conyers Dill & Pearman

Party: Natixis (Lender)

Overview:

- US company Seaborn Networks has obtained \$352 million to develop a fibre optic submarine communications system.
- This will be the first direct fibre optic route from Brazil to the US.
- The cable will stretch from Sao Paulo to New York, with a branching unit landings in Halifax, Ashburn, Miami, St Croix, Fortaleza, Rio de Janeiro and Las Toninas.
- Seabras is jointly owned by Seaborn and US private equity firm Partners Group.
- Natixis acted as the lender.
- Seaborn Brazilian subsidiaries Seabras 1 Holdings Brasil and Seabras 1 Brasil served as guarantors.

Sul-Matogrossense highway concession

Jurisdiction:

Brazil

Deal type:

Project finance

Industry sectors:

Transport

Firms:

Souza Cescon Barrieu & Flesch Advogados

Parties: Concesiones y Construcciones de Infraestructura (Concessionaire); Concessionária de Rodovia Sul-Matogrossense (Concessionaire)

Machado Meyer Sendacz Opice Advogados

Party: Caixa (Lender)

Overview:

- Concessionária de Rodovia Sul-Matogrossense has received R\$2.8 billion in financing for its Sul-Matogrossense highway concession.
- The project is an 845km highway in the Brazilian state of Mato Grosso do Sul.
- The concession is for 30 years.
- The total cost of the highway is estimated at R\$5.5 billion.
- Rodovia Sul Matogrossense is a subsidiary of Concesiones y Construcciones de Infraestructura (CCI).
- Financing was provided by the Brazilian Development Bank (BNDES) and Brazilian federal savings bank Caixa.

Vamcruz 93MW wind farm

Jurisdiction:

Brazil; France

Deal type:

Project finance; Project development

Industry sectors:

Energy

Firms:

Jones Day

Parties: Voltalia (Project developer); BNP Paribas (Lender); Banco Santander (Lender)

Dias Carneiro Advogados

Party: Voltalia (Project developer)

Stocche Forbes Padis Filizzola Clapis Passaro Meyer & Refinetti

Parties: BNP Paribas (Lender); Banco Santander (Lender)

Overview:

- Vamcruz 93MW wind complex.
- French project developer Voltalia has obtained R\$230 million for the Vamcruz wind complex.
- The complex is located in Serro do Mel in the state of Rio Grande do Norte.
- The bridge financing came from BNP Paribas and Banco Santander Brasil in the form of a public bond offering.
- Voltalia operates two other wind farms in Brazil.

Ventos do Araripe III 360MW wind farm

Jurisdiction:

Brazil

Deal type:

Project finance; Project development

Practice area:

Project finance; Project development

Industry sectors:

Energy

Firms:

Stocche Forbes Padis Filizzola Clapis Passaro Meyer & Refinetti

Party: Banco Santander (Lender)

Proskauer Rose

Party: Banco Santander (Lender)

Tauil & Chequer Advogados – Mayer Brown

Party: GE Energy Financial Services (Guarantor)

Overview:

- Project developer Casa dos Ventos has obtained R\$600 million in financing for Ventos do Araripe III.
- The project consists of 14 wind farms in the Brazilian states of Pernambuco and Piauí.
- The lender was Banco Santander.
- The entire project financing was provided by private sources, making this an unusual deal in Brazil.
- A portion of the proceeds will be used toward a 156-turbine contract with General Electric (GE).
- General Electric Energy Financial Services acted as guarantor.
- Casas dos Ventos was represented by in-house counsel.

Andes Mainstream 986 MW wind farms

Jurisdiction:

Chile

Deal type:

Project development

Industry sectors:

Energy

Firms:

Carey

Party: Mainstream Renewable Power (Concessionaire)

Aninat Schwencke & Cia

Party: Mainstream Renewable Power (Concessionaire)

Overview:

- Mainstream Renewable Power was awarded a contract to build seven utility-scale wind energy plants, with a collective capacity of 986 MW and collective value of \$1.65 billion, in an auction held August 2016.
- The company was awarded a 20-year contract, and the projects should start supplying energy in 2021.
- Chile auctioned off 12,000GWh of power at the auction.
- 84 companies submitted 85,000GWh worth of bids.
- This is the first time Mainstream has participated independently in a Chilean bid.

Arturo Merino Benitez Airport expansion

Jurisdiction:

Chile

Deal type:

Project development; PPP

Industry sectors:

Aviation

Firms:

Morales & Besa

Party: Nuevo Pudahuel (Sponsor/ Borrower)

Linklaters

Party: Nuevo Pudahuel (Borrower); Banca IMI, Banco Santander; Credit Agricole Corporate and Investment Bank, CaixaBank, Société Générale; Banco BICE; Banco de Crédito e Inversiones (Lenders)

Milbank Tweed Hadley & McCloy

Party: Banca IMI, Banco Santander; Credit Agricole Corporate and Investment Bank, CaixaBank, Société Générale; Banco BICE; Banco de Crédito e Inversiones (Lenders)

Philippi Prietocarrizosa Ferrero DU & Uría

Party: Banca IMI, Banco Santander; Credit Agricole Corporate and Investment Bank, CaixaBank, Société Générale; Banco BICE; Banco de Crédito e Inversiones (Lenders)

Overview:

- Vinci, Astaldi and Aéroports de Paris (ADP) are part of a consortium which has won a concession to operate and expand Arturo Merino Benitez Airport. The concession will allow the construction of a new 175,000 square metre international terminal.
- This is expected to expand the capacity of the airport to 30 million passengers.
- The deal was financed by a two tranche loan (\$275 million and Ps155 billion).
- Banca IMI, Banco Santander, Credit Agricole Corporate and Investment Bank, CaixaBank, Société Générale, Banco BICE, and Banco de Crédito e Inversiones made up the syndicate of lenders.

Cardones-Polpaico transmission lines

Jurisdiction:

Chile

Deal type:

Project development; Project finance

Industry sectors:

Technology and telecommunications; Utilities

Firms:

Mayer Brown

Party: Interconexión Eléctrica (Sponsor)

Barros & Errázuriz Abogados

Party: Interconexión Eléctrica (Sponsor)

Milbank Tweed Hadley & McCloy

Party: BBVA (Lender); The Bank of Tokyo-Mitsubishi UFJ (Lender); Sumitomo Mitsui Banking (Lender); Natixis (Lender); Crédit Agricole (Lender); Banco del Estado de Chile (Lender)

Morales & Besa

Party: BBVA (Lender); The Bank of Tokyo-Mitsubishi UFJ (Lender); Sumitomo Mitsui Banking (Lender); Natixis (Lender); Crédit Agricole (Lender); Banco del Estado de Chile (Lender)

Brigard & Urrutia

Party: BBVA (Lender); The Bank of Tokyo-Mitsubishi UFJ (Lender); Sumitomo Mitsui Banking (Lender); Natixis (Lender); Crédit Agricole (Lender); Banco del Estado de Chile (Lender)

Overview:

- InterChile, a subsidiary of Interconexión Eléctrica, is developing the Cardones-Polpaico 500kv, 750 km double circuit transmission line, which will serve the centre and south of Chile and serve mining operations in the north of the country.
- Interchile received a \$770 million credit facility from BBVA, The Bank of Tokyo-Mitsubishi UFJ, Sumitomo Mitsui Banking, Natixis, Crédit Agricole and Banco del Estado de Chile to finance the construction of the transmission lines.
- Interchile also received a \$68 million VAT facility from BBVA, Banco del Estado de Chile, and Chile's Banco BICE.

El Pelicano 100MW photovoltaic power plant

Jurisdiction:

Chile

Deal type:

Project development

Industry sectors:

Energy

Firms:

Carey

Party: SunPower (Sponsor)

White & Case

Party: SunPower (Sponsor)

Chadbourne & Parke

Party: Crédit Agricole Corporate and Investment Bank (Lender); Bank of Tokyo-Mitsubishi (Lender); Sumitomo Mitsui Banking Corporation (Lender); Korea Development Bank (Lender)

Morales & Besa

Party: Crédit Agricole Corporate and Investment Bank (Lender); Bank of Tokyo-Mitsubishi (Lender); Sumitomo Mitsui Banking Corporation (Lender); Korea Development Bank (Lender)

Overview:

- SunPower El Pelicano is developing a 100MW solar plant in the IV Region, Chile.
- SunPower will use energy from the project to supply the Metro de Santiago with renewable energy as part of a PPA.
- SunPower received a \$199.7 million credit facility from a syndicate of lenders including Crédit Agricole Corporate and Investment Bank, Bank of Tokyo-Mitsubishi, Sumitomo Mitsui Banking Corporation and Korea Development Bank to finance the project.
- The financing also involved a \$22 million VAT loan and an issue of performance bonds, on which Banco de Crédito e Inversiones acted as a lender.

El Campesino 640MW combined-cycle power plant

Jurisdiction:

Chile

Deal type:

Project development

Industry sectors:

Energy

Firms:

Carey

Party: Cheniere Marketing (Seller)

Larrain & Asociados

Party: Octopus LNG (Project developer); Central El Campesino (Project developer)

Latham & Watkins

Party: Andes Mining & Energy (Sponsor)

Larrain Rencoret & Urzúa

Party: Banco de Crédito e Inversiones (VAT Lender)

Shearman & Sterling

Party: Banco de Crédito e Inversiones (VAT Lender)

Overview:

- Central El Campesino is developing a 640MW natural gas-fired, combined cycle power plant in the Biobío region of Chile, and GNL Penco (Octopus) is developing a floating storage regasification (FSRU) LNG port terminal in Concepción bay as part of a combined project.
- Two 500kV transmission lines and a step-down substation will also be part of the project.
- Cheniere Marketing, a subsidiary of Cheniere Energy, entered a sale and purchase agreement with Central El Campesino where Central El Campesino will purchase 0.6 million tonnes per annum of LNG for 20 years, beginning in 2019.
- Central El Campesino and GNL Penco received an \$850 million syndicated loan to finance the construction of the projects. Central El Campesino and GNL Penco each received a \$50 million VAT facility from Banco de Crédito e Inversiones.
- The shareholders of Central El Campesino each entered a bank-bond facility agreement with Banco de Crédito e Inversiones.
- Central El Campesino has entered a PPA with Enel Generación Chile.

Hospital del Salvador e Instituto Nacional de Geriatria PPP

Jurisdiction:

Chile

Deal type:

PPP

Industry sectors:

Social infrastructure

Firms:

Larrain & Asociados

Party: Consorcio de Salud Santiago Oriente (Concessionaire)

Overview:

- Consorcio de Salud Santiago Oriente is constructing Hospital del Salvador e Instituto Nacional de Geriatria (Salvador Hospital and National Institute of Geriatrics), in Chile.
- The new hospital will have a capacity of 641 beds,.
- Consorcio de Salud Santiago Oriente is a consortium comprising Assignia Infraestructuras, Constructura y Edificadora Gia and Constructura Cosal.
- Consorcio de Salud Santiago Oriente was awarded the project in 2014. The concessionaire received an environment permit in December 2016, and construction should begin in the first half of 2017.

Kelar 517MW thermoelectric power plant

Jurisdiction:

Chile

Deal type:

Project development

Industry sectors:

Energy

Firms:

Urenda Rencoret Orrego & Dörr

Party: KOSPO and Samsung (Project developer)

Baker McKenzie

Party: Bank of Tokyo Mitsubishi (Collateral agent)

Carey & Allende

Party: Samsung (Project developer) (Joint venture partner)

Overview:

- Kelar is a 517MW combined cycle thermoelectric power project in the Antofagasta region of Chile.
- KOSPO and Samsung formed Kelar to develop the project.
- Bank of Tokyo Mitsubishi acted as collateral agent for the supplemental security documents.
- Alstom won contracts to supply two GT13E2 gas turbines and long term services for the project.

Parque Eólico Cabo Leones 115.5MW wind farm

Jurisdiction:

Chile

Deal type:

Project development

Industry sectors:

Energy

Firms:

Philippi Prietocarrizosa Ferrero DU & Uría

Party: Cabo Leones I (concessionaire)

Linklaters

Party: Parque Eólico Cabo Leones (borrower)

Milbank Tweed Hadley & McCloy

Party: Credit Agricole Corporate & Investment Bank (Lender); Sumitomo Mitsui Banking Corporation (Lender); DNB Bank (Lender)

Morales & Besa

Party: Credit Agricole Corporate & Investment Bank (Lender); Sumitomo Mitsui Banking Corporation (Lender); DNB Bank (Lender)

Chadbourne & Parke

Party: Banco Security (VAT Lender)

Carey

Party: Banco Security (VAT Lender)

Overview:

- The Cabo Leones I Wind Project is a 115.5 MW plant located in the Atacama region of Chile.
- As part of a PPA, awarded in October 2015, the plant will supply Chile's central grid with energy.
- A 100 km transmission line will connect the plant to the Chilean central grid.
- Crédit Agricole Corporate & Investment Bank, Sumitomo Mitsui Banking Corporation and DNB Bank granted \$140 million in financing for the development of the project.
- The project also involved a VAT loan, on which Banco Security acted as lender.

Santiago Solar 115MW photovoltaic power plant

Jurisdiction:

Chile

Deal type:

Project development

Practice area:

Project development

Industry sectors:

Energy

Firms:

Linklaters

Party: Santiago Solar (Borrower)

Milbank Tweed Hadley & McCloy

Party: Credit Agricole Corporate and Investment Bank (Lender); Sumitomo Mitsui Banking Corporation and DNB Bank (Lender)

Morales & Besa

Party: Credit Agricole Corporate and Investment Bank (Lender); Sumitomo Mitsui Banking Corporation and DNB Bank (Lender)

Philippi Prietocarrizosa Ferrero DU & Uría

Party: EDF (Acquirer)

Overview:

- Santiago Solar is a 115MW photovoltaic power plant being developed in the Santiago area.
- Andean Mining & Energy and EDF Chile, who are both Santiago Solar shareholders, received two loans to finance the construction of the project.
- Credit Agricole Corporate and Investment Bank, Sumitomo Mitsui Banking Corporation and DNB Bank acted as lenders.
- The financing package included \$112 million to finance the construction, \$6 million for IVA and \$1 million for the issue of bank guarantees.
- Prior to the financing, EDF Chile acquired 50% of the shares of Santiago Solar from Andes Mining & Energy.

Buriticá gold mine

Jurisdiction:

Colombia; Bermuda; Canada

Deal type:

Project development; Project finance

Practice area:

Project development; Project finance

Industry sectors:

Mining

Firms:**Cassels Brock & Blackwell**

Party: Continental Gold (Project developer)

Philippi Prietocarrizosa Ferrero DU & Uría

Party: Continental Gold (Project developer)

Walkers

Party: Continental Gold (Project developer)

Norton Rose Fulbright

Party: RK Mine Finance Master Fund I (Lender)

Conyers Dill Pearman

Party: RK Mine Finance Master Fund I (Lender)

Overview:

- Canadian mining company Continental Gold has obtained \$250 million to develop the Buriticá gold mine.
- The mine is located in the Colombian jurisdiction of Antioquia.
- The lender was RK Mine Finance Master Fund I, a special purpose vehicle (SPV) of Bermuda-based company Red Kite.
- This was the largest project finance deal in the history of Colombian mining.
- The loan has a duration of 7.25 years and is structured in three tranches: the first for \$100 million, the second for \$100 million and the third for \$50 million to be delivered when the project is at least 65% finished and when the company has enough capital to complete the project.
- Most of the Colombian mining sector is informal, making this type of financing especially rare in the country's mining industry.

Canacol Energy natural gas pipeline expansion

Jurisdiction:

Colombia

Deal Type:

Project development

Industry sectors:

Oil and gas

Firms:

Philippi Prietocarrizosa Ferrero DU & Uría

Overview:

- Canacol Energy is expanding its natural gas pipeline, which reaches from Jobo to Cartagena.
- The pipeline will deliver 65 more net natural gas MMSCFPD (11,400 BOEPD).
- All funding was provided by Promigas.
- The actual expansion process will take six months.
- The first delivery from the expansion is expected to occur in December 2018.
- Promigas was represented by in-house counsel.

Cartagena-Barranquilla PPP

Jurisdiction:

Colombia

Deal type:

Project finance

Industry sectors:

Transport

Firms:**Milbank Tweed Hadley & McCloy**

Party: Concesión Costera Cartagena Barranquilla (Concessionaire)

Castro Leiva Rendón Criales

Party: Concesión Costera Cartagena Barranquilla (Concessionaire)

Clifford Chance

Parties: Goldman Sachs (Initial purchaser); Scotia Bank (Initial purchaser); Bancolombia (Lender); Banco de Bogotá (Lender); Banco de Occidente (Lender); Ashmore (Lender)

Philippi Prietocarrizosa Ferrero DU & Uría

Parties: Goldman Sachs (Initial purchaser); Scotia Bank (Initial purchaser); Bancolombia (Lender); Banco de Bogotá (Lender); Banco de Occidente (Lender); Ashmore (Lender)

Overview:

- The Concesión Costera Cartagena Barranquilla has obtained \$472 million to develop the Cartagena-Barranquilla highway on a public-private partnership (PPP) basis.
- The fourth-generation (4G) highway is one among a number that comprise Colombia's 'Highways for Prosperity' infrastructure plan.
- Financing consisted of two debt offerings, a two-tranche syndicated loan and an indexed tranche.
- Principal lenders were Bancolombia, Banco de Bogotá, Banco de Occidente and senior debt fund Ashmore.
- Goldman Sachs and Scotia Capital acted as initial purchasers.

Conexión Norte toll road PPP

Jurisdiction:

Colombia, United States

Deal Type:

Project finance

Practice area:

PPP, Concession

Industry sectors:

Transport

Firms:

Milbank Tweed Hadley & McCloy

Party: Autopistas del Nordeste (Concessionaire)

Brigard & Urrutia

Party: Autopistas del Nordeste (Concessionaire)

Philippi Prietocarrizosa Ferrero DU & Uría

Parties: Sumitomo Mitsui Banking Corporation (Lender); Bancolombia (Lender); Banco Davivienda (Lender),

Holland & Knight

Party: Financiera de Desarrollo Nacional (Lender)

Overview:

- Concessionaire Autopistas del Nordeste has obtained \$250 million to construct the Conexión Norte toll road.
- The 145km project will connect Remedios, Zaragoza and Caucaasia in the Colombian jurisdiction of Antioquia.
- The project is part of Colombia's fourth-generation (4G) Highways for Prosperity government concessions.
- The lenders were Sumitomo Mitsui Banking, Financiera de Desarrollo Nacional, Bancolombia and Banco Davivienda.

Ernesto Cortissoz Airport renovation

Jurisdiction:

Colombia

Deal Type:

Project development, Project finance

Industry sectors:

Aviation

Firms:

Gómez-Pinzón Zuleta

Party: Grupo Aeroportuario del Caribe (Project developer)

Brigard & Urrutia

Parties: Banco Davivienda (Lender); Banco de Occidente (Lender);

Corporación Andina de Fomento (Lender); Leasing Bancolombia (Lender)

Overview:

- Grupo Aeroportuario del Caribe has obtained Col345 billion in financing for improving the Ernest Cortissoz Airport.
- The airport serves the Barranquilla area.
- The lenders were Banco Davivienda, Banco de Occidente, Corporación Andina de Fomento (CAF) and Leasing Bancolombia.
- The financing will be provided in three tranches.

Pacifico 2 toll road PPP

Jurisdiction:

Colombia

Deal Type:

Project finance, PPP

Industry sectors:

Transport

Firms:

Paul Hastings

Party: Concesión La Pintada (Concessionaire)

Posse Herrera Ruiz

Party: Concesión La Pintada (Concessionaire)

Brigard & Urrutia

Parties: Banco Davivienda (Lender), Banco de Bogotá (Lender)

Clifford Chance

Parties: Banco Davivienda (Lender), Banco de Bogotá (Lender)

Overview:

- The Pacifico 2 will connect La Pintada and Bolombolo in Colombia's Antioquia region.
- Concesión La Pintada, which oversees Colombian toll road Pacifico, 2 has secured two loans for the project.
- The borrower received a \$250 million credit facility from ITAÚ Unibanco and Banco de Crédito del Perú and a Col\$510 billion credit facility from Banco Davivienda and Banco de Bogotá.
- Odinsa and Construcciones el Cóndor were sponsors to the project and are the owners of Concesión La Pintada.
- Pacifico 2 is a fourth generation (4G) infrastructure project, and part of Colombia's 'Highways for Prosperity' initiative.

Pacifico 3 toll road PPP

Jurisdiction:

Colombia; United States

Deal Type:

Project finance, Project development, PPP

Industry sectors:

Transport

Firms:

Milbank Tweed Hadley & McCloy

Party: Concesión Pacifico Tres (Concessionaire)

Castro Leiva Rendón Criales

Party: Concesión Pacifico Tres (Concessionaire)

Philippi Prietocarrizosa Ferrero DU & Uría

Parties: Bancolombia (Lender); Goldman Sachs (Lead arranger); Corpbanco (Lender); Credicorp (Lender)

Clifford Chance

Parties: Bancolombia (Lender); Goldman Sachs (Lead arranger); Corpbanco (Lender); Credicorp (Lender)

Holland & Knight

Party: National Development Finance (Subordinated lender)

Overview:

- Developer Concesión Pacifico Tres has obtained \$689 million to construct the Pacifico III fourth-generation (4G) highway.
- Part of Colombia's Prosperity Highways infrastructure plan, the Pacifico III connects the Colombian jurisdictions Antioquia, Caldas and Risaralda.
- The highway is expected to be completed in 2020.
- The project involved both the use of project bonds and of bank loans to fund the project, making it both an innovative financing and infrastructure transaction.
- The lenders were Bancolombia, Corpbanco and Credicorp.
- Goldman Sachs acted as lead arranger.
- National Development Finance (NDF) acted as subordinated lender.

Perimetral Oriental de Bogotá PPP

Jurisdiction:

Colombia

Deal Type:

Project finance, Project development; PPP

Industry sectors:

Transport

Firms:

Allen & Overy

Party: Perimteral de Oriente (Concessionaire)

Brigard & Urrutia

Party: Perimetral de Oriente (Concessionaire)

Philippi Prietocarrizosa Ferrero DU & Uría

Parties: Inter-American Development Bank (Lender); CorpBanca (Lender); Bancolombia (Lender)

Clifford Chance

Parties: Inter-American Development Bank (Lender); CorpBanca (Lender); Bancolombia (Lender)

Holland & Knight

Party: Financiera de Desarrollo Nacional (Lender)

Overview:

- Perimetral Oriental de Bogotá is acting as the concessionaire of the perimeter road corridor in Eastern Cundinamarca.
- The project is part of Colombia's 'Highways for Prosperity' infrastructure plan.
- The financing package was provided consisted of a \$156 million loan, a Col\$870 million loan and a Col\$45 million.
- The Inter-American Development Bank, Financiera de Desarrollo Nacional (FDN), CorpBanca and Bancolombia acted as lenders.

Pescadero-Ituango 2400MW hydroelectric power plant

Jurisdiction:

Colombia; Brazil

Deal Type:

Project finance; Project development

Industry sectors:

Energy

Firms:

Mosquera Abogados

Party: Medellin Public Companies (Project developer)

Machado Meyer Sendacz Opice Advogados

Parties: Medellin Public Companies (Project developer); Financiera de Desarrollo Nacional (Lender)

Overview:

- Medellin Public Companies (EPM) has obtained \$111.4 million for the development of the Pescadero-Ituango 2400MW hydroelectric plant, also known as Hidroituango.
- The loan was provided by the Brazilian National Economic and Social Development Bank (BNDES).
- Located in the Colombian jurisdiction of Antioquia, Hidroituango will be the largest hydroelectric plant in Colombia.
- This was the first long-term financing given by BNDES to a public Colombian company.
- The proceeds will be used to purchase necessary machinery from Alstom Energias Renováveis.
- The plant is expected to start operating by 2018.
- BNDES was represented by in-house counsel.

Girardot-Hondo-Puerto Salgar highway PPP

Jurisdiction:

Colombia; Costa Rica

Deal Type:

Project finance; PPP

Industry sectors:

Transport

Firms:

Milbank Tweed Hadley & McCloy

Party: Concesión Alto Magdalena (Concessionaire)

Castro Leiva Rendón Criales

Party: Concesión Alto Magdalena (Concessionaire)

Philippi Prietocarrizosa Ferrero DU & Uría

Parties: Goldman Sachs (Lead arranger); Banco de Bogotá (Lender); Banco de Occidente (Lender); Banco AV Villas (Lender); Banco Popular (Lender); Central American Bank for Economic Intergration (Lender)

BLP

Party: Central American Bank for Economic Integration

Vector Legal

Party: Constructora Mecco

Holland & Knight

Party: Financiera de Desarrollo Nacional

Overview:

- Concesión Alto Magdalena has obtained over \$372 million financing for the fourth-generation (4G) Girardot-Honda-Puerto Salgar highway, which is being developed on public-private partnership (PPP) basis.
- The financing was multi-currency, with \$136 million coming in the form of US dollars.
- The lenders were the Central American Bank for Economic Integration, Banco de Bogotá, Banco de Occidente, Banco Popular and Banco AV Villas.
- Financiera de Desarrollo Nacional (FDN) provided a line of liquidity to Alto Magdalena.
- Goldman Sachs served as lead arranger.
- One of the companies that make up the concession is Constructora Mecco, which is based in Costa Rica.
- The highway is one of several that comprise Colombia's Highways for Prosperity infrastructure plan.

Rumichaca-Pasto highway PPP

Jurisdiction:

Colombia; Ecuador; Spain; United States

Deal Type:

Project finance; Practice area: PPP

Industry sectors:

Transport

Firms:

Jones Day

Party: Concesionaria Vial Unión del Sur (Concessionaire)

Posse Herrera Ruiz

Party: Concesionaria Vial Unión del Sur (Concessionaire)

Milbank Tweed Hadley & McCloy

Parties: JPMorgan Chase (Lender); Santander (Lender)

Philippi Prietocarrizosa Ferrero DU & Uría

Parties: JPMorgan Chase (Lender); Santander (Lender)

Overview:

- Concesionaria Vial Unión del Sur has obtained \$514 million to develop the Rumichaca-Pasto highway on public-private partnership (PPP) basis.
- The fourth-generation (4G) highway is one among number to receive financing under Colombia's Highways for Prosperity infrastructure plan.
- The 80 kilometer highway will connect to Colombia's southern border with Ecuador.
- The lenders were JPMorgan Chase and Santander.
- The highway is expected to take four years to finish.

Harbin Electric International 500kV transmission line

Jurisdiction:

Ecuador

Deal type:

Project development

Industry sectors:

Utilities

Firms:

FERRERE

Party: Edemco (Joint venture partner)

Overview:

- Harbin Electric International is the main contractor of CELEC, Ecuador's state-owned electricity company, for the construction of the 500kV extra-high voltage transmission line which extends from the Coca-Codo Sinclair Hydro Power Plant to Guayaquil.
- Cointec-Edemco, a consortium formed by Edemco (Electricas de Medellin Comercial) and Cointec, is a subcontractor of Harbin, and was responsible for three sections of the line.
- The Coca Codo Sinclair Hydro Power Plant is a 1,500 MW plant which was inaugurated in 2016. It is the country's largest hydro power plant.

Llurimagua mine

Jurisdiction:

Ecuador

Deal type:

Project development

Industry sectors:

Mining

Firms:

Pérez Bustamante & Ponce

Party: Codelco (Project Developer)

Overview:

- Codelco, Chile's national copper mining company, signed an agreement with Enami, the national mining company of Ecuador to develop the Llurimagua mine.
- This copper-molybdenum project is in the second phase. The project is situated in Imbabura Province, which is in the north of the country.

Posorja port PPP

Jurisdiction:

Ecuador

Deal type:

PPP

Industry sectors:

Logistics

Firms:

Pérez Bustamante & Ponce

Party: DP World (Concessionaire)

Overview:

- DP World, a Dubai-based Maritime company, was awarded a five-year concession to develop the Posorja port.
- This is the first PPP in Ecuador, following the country's public-private partnership (PPP) incentives law which took effect January 2016.
- The project involves the construction of a 23 km access road to the port which will run between the city of Playas and Posorj.
- The port is expected to allow post-panamax ships to enter the country.
- DP World is working with Consorcio Nobis and Grupo Vilaseca to construct the project.

Río Siete-Huaquillas road PPP

Jurisdiction:

Ecuador

Deal type:

PPP

Industry sectors:

Transport; Logistics

Firms:

Pérez Bustamante & Ponce

Party: Consur (Concessionaire)

Gómez-Pinzón Zuleta

Party: Consur (Concessionaire)

Overview:

- Concesionaria del Sur (Consur) received a 30-year concession to construct, operate, finance and maintain the Río Siete-Huaquillas road in Ecuador.
- This was the second public-private partnership (PPP) signed and the first road PPP in the country.
- The 95 km road will have six lanes and border Peru. The road connects the Guayas and El Oro provinces.
- Ecuador's Law on Incentives for PPP and Foreign Investment took effect January 2016 and provided the regulatory framework for PPPs to come to fruition in the country.

Asunción's Silvio Pettrossi International Airport PPP

Jurisdiction:

Paraguay

Deal type:

PPP

Industry sectors:

Aviation

Firms:

FERRERE

Party: Agunsa (Bidder)

Berkemeyer Attorneys and Counselors

Party: SACYR (Bidder)

Overview:

- A consortium formed by Sacyr and Agunsa presented the highest bid for the public-private partnership (PPP) for the expansion of the Silvio Pettrossi international airport.
- Vinci Airports-Tocsa presented the other qualified bid for the airport.
- At time of going to press, this contract has been postponed and has not yet been awarded. President Horacio Cartes said that the tender could be cancelled.

Route 2 / Route 7 highway PPP

Jurisdiction:

Paraguay

Deal type:

PPP

Industry sectors:

Transport

Firms:

Berkemeyer Attorneys and Counselors

Party: SACYR (Concessionaire)

Olmedo Abogados

Party: Mota Engil-Ocho (Concessionaire)

Overview:

- Rutas del Este, a special purpose company made up of the Sacyr-Mota Engil-Ocho consortium, has signed a the public-private partnership (PPP) contract with the government of Paraguay to expand highway Routes 2 and 7.
- This was the first PPP in Paraguay.
- Sacyr-Mota Engil-Ocho was awarded the project in October 2016.
- Sacyr-Mota Engil-Ocho is a consortium comprised of Sacyr, a Spanish construction company, Mota Engil, a Portuguese construction company, and Ocho A, a Paraguayan road construction company.

Wastewater treatment plants

Jurisdiction:

Paraguay

Deal type:

Project development

Industry sectors:

Social infrastructure

Firms:

FERRERE

Party: Acciona Agua (Bidder)

Overview:

- Paraguay is developing wastewater plants in Lambaré, Luque and Mariano Roque Alonso.
- Acciona Agua submitted a bid of \$599 million and was the sole bidder for this turnkey project.
- This contract has not yet been awarded.

Amazon waterway PPP

Jurisdiction:

Peru

Deal type:

PPP

Industry sectors:

Logistics

Firms:**Rebaza Alcázar & De Las Casas****Party:** Proinversión (Project manager)**Overview**

- ProInversión, Peru's private investment promotion agency, re-launched the tender process for the concession of the first Amazon Waterway Project. The concession lasts for 20 years.
- The purpose of the project is to allow navigation to take place across the Marañón, Huallaga, Ucayali and Amazon rivers.
- The current Amazon Water System encompasses more than 90% of the passengers and cargo transportation in the Amazon region.

Chavimochic irrigation project

Jurisdiction:

Peru

Deal type:

PPP

Industry sectors:

Agriculture

Firms:**Garrigues****Party:** Concesionaria Chavimochic (Concessionaire)**Overview**

- Concesionaria Chavimochic been awarded a 25-year concession to develop the third stage of the Chavimochic Irrigation Project.
- Concesionaria Chavimochic consists of Constructora Norberto Odebrecht, Odebrecht Participacoes e Investimentos and Graña y Montero. The regional government of La Libertad awarded the project in in 2014.
- The project is expected to irrigate 63,000 hectares of new areas and improve the irrigation of another 48,000 hectares.

Chincheró airport PPP

Jurisdiction:

Peru

Deal type:

Project development/ PPP

Industry sectors:

Aviation

Firms:**Garrigues****Party:** Sociedad Aeroportuaria Kunturwasi (Concessionaire)**Rebaza Alcázar & De Las Casas****Party:** Goldman Sachs, Sumitomo Mitsui Banking Corporation, Intesa Sanpaolo and Scotiabank (Banks)**Overview**

- The Kuntur Wasi consortium, formed by Corporación América and Andino Investment Holding, was awarded a 40-year concession to develop and operate the Chincheró airport.
- This contract, however, was canceled in May 2017, in part due to financing concerns. After the cancellation was announced, Martin Vizcarra resigned from his position as Minister of Transport and Communications.
- The Chincheró airport was going to replace Velasco Astete, which hosts more travelers than its capacity.
- Goldman Sachs, Sumitomo Mitsui Banking Corporation, Intesa Sanpaolo and Scotiabank were working on a Concession Agreement bankability addenda to finance the project.

Entel, Claro and Movistar 700MHz network roll-out

Jurisdiction:

Peru

Deal type:

Project development

Industry sectors:

Technology and telecommunications

Firms:

Payet Rey Cauvi Pérez Abogados

Party: América Móvil (Concessionaire)

Overview

- Proinversión (Peru's Private Investment Promotion Agency) awarded three 4G 700Mhz licenses to private companies, which will allow them to expand their mobile internet service.
- Entel Peru, the Peruvian branch of the Santiago-based telecoms company won block A. América Móvil (through its unit Claro) won block B. Telefónica, operating as Movistar, a Madrid-based telecoms company, won block C.
- This is intended to bring 4G services to users, some in remote areas. The concession lasts for 20 years.

Lima Metro Line 3

Jurisdiction:

Peru

Deal type:

Project development

Industry sectors:

Transport

Firms:

Philippi Prietocarrizosa Ferrero DU & Uría

Party: Proinversión (Project manager)

Overview:

- Proinversión is overseeing the development of the third line of the Lima Metro.
- At time of press, this line is yet to be tendered. The consortium is still developing the bidding invitations and the concession contracts.
- The first two lines of the metro have already been tendered.

Molina Angamos Urban Toll Road PPP

Jurisdiction:

Peru

Deal type:

PPP

Industry sectors:

Logistics

Firms:

Rubio Leguía Normand

Party: OHL Concesiones (Concessionaire)

Overview

- OHL Concesiones was awarded a 30-year concession to operate and construct the Molina Angamos Urban Toll Road, which services the metropolitan area of Lima.
- The project will link La Molina, Surco, San Borja, Surquillo and Miraflores.
- This includes a 12.2km road, a 1.5km tunnel, as well as false tunnels under the Raúl Ferrero, Primavera and Angamos Avenues.
- The project will also include branch roads which will link the toll road to main roads such as the Vía Expresa and Pan-American Highway.

PROVISUR sanitation system PPP

Jurisdiction:

Peru

Deal type:

PPP

Industry sectors:

Logistics

Firms:

Garrigues

Party: Concesionaria Desaladora del Sur (Concessionaire)

Philippi Prietocarrizosa Ferrero DU & Uría

Party: BBVA Banco Continental (Lender)

Estudio Echecopar member firm of Baker McKenzie

Party: Citibank Peru (Trustee)

Overview

- Concesionaria Desaladora del Sur received a 25-year concession in 2013 for the development and operation of the Provisión de Servicios de Saneamiento de los Distritos del Sur de Lima (Provision of Sanitation Services in the Districts of the South of Lima) - PROVISUR project.
- The project will develop potable water and wastewater treatment in four districts of Lima including Punta Hermosa, Punta Negra, San Bartolo and Santa María del Mar.
- BBVA Banco Continental is granting PEN350 million to Concesionaria Desaladora del Sur to finance the project. Citibank Peru acted as trustee.

Ollachea mine

Jurisdiction:

Peru

Deal type:

Project development

Industry sectors:

Mining

Firms:

Rodrigo Elías & Medrano Abogados

Party: Minera IRL (Project developer)

Fasken Martineau

Party: Minera IRL (Borrower)

Overview

- Minera IRL is developing the Ollachea mine, a gold mining project, at Puno, in the South of Peru.
- In August 2016, the company announced that it would resume drilling at the mine. The drilling involves 5,230 meters of diamond drilling, which includes 23 holes drilled from six platforms within the Ollachea tunnel.
- Minera IRL had a mandate with COFIDE (Corporación Financiera de Desarrollo) for a \$240 million syndicated loan. Minera IRL arranged a \$70 million bridge loan from COFIDE, as part of the larger project finance, in June 2015. However, in March 2017, COFIDE revoked the mandate to exclusively structure the loan.
- Minera IRL is listed on the London Stock Exchange's AIM, the Lima Stock Exchange, the Bolsa de Valores Lima and the Toronto Stock Exchange.

Rubi 144 MW photovoltaic power plant

Jurisdiction:

Peru

Deal type:

Project development

Industry sectors:

Energy

Firms:

Hernández & Cía

Party: Enel Green Power Peru (Bidder/ Concessionaire)

Overview

- Enel Green Power Peru is developing the Rubi 144 MW photovoltaic power plant, which is expected to be the largest photovoltaic power plant in Peru.
- The plant will be located in the Moquegua district, in the south of the country.
- Enel Green Power won the right to develop this plant at Peru's fourth renewable energy auction.
- Enel also received the right to develop 126 MW of wind and 20 MW of hydro at the auction.

Talara Refinery modernisation project

Jurisdiction:

Peru

Deal type:

Project development

Industry sectors:

Oil

Firms:

Rebaza Alcázar & De Las Casas

Party: Petroperu (Project manager)

Payet Rey Cauvi Pérez Abogados

Party: Graña y Montero (Project company)

Overview:

- Petroperu, Peru's state-owned oil company, is expanding and modernising the Talara Refinery.
- Tecnicas Reunidas was awarded a concession for the project.
- To meet Peruvian environmental laws, the refinery will produce fuel and gas with a sulfur content of no more than 50 ppm, as per the law.
- The refinery's capacity is expected to increase from 63,000 bpd to 90,000 bpd.
- Graña y Montero and Acciona Agua Perú entered BOOT agreements to construct certain production units for the project.

Invenergy \$165 million acquisition of Campo Palomas 70MW wind farm

Jurisdiction:

Uruguay; United States; Spain

Deal type:

M&A; Project finance

Practice area:

Private acquisition; Project finance

Industry sectors:

Energy

Firms:

White & Case

Party: Invenergy (Acquirer) (Project developer)

Hughes & Hughes

Party: Invenergy (Acquirer) (Project developer)

Clifford Chance

Parties: Inter-American Investment Corporation (Lender); Inter-American Development Bank (Lender)

Ferrere

Parties: Inter-American Investment Corporation (Lender); Inter-American Development Bank (Lender)

Guyer & Regules

Parties: TMF Trust Uruguay (Collateral agent); Citibank Uruguay (Local account bank)

Overview:

- Invenergy Group has acquired the 70MW Campo Palomas wind farm for \$165 million.
- The deal saw the US wind energy group acquire Abengoa subsidiary Nicefield, which owns the wind farm located in Uruguay's Salto region.
- As part of the acquisition, Invenergy took out \$135 million in long-term financing from the Inter-American Investment Corporation and the Inter-American Development Bank.
- The deal also included the cancellation of a bridge loan that was previously provided to Nicefield by the DNB Group Agency in Chile.
- Invenergy simultaneously entered into a share purchase agreement with Abengoa subsidiary Giomper.
- TMF Trust Uruguay acted as onshore collateral agent and Citibank Uruguay acted as onshore accounts bank.
- Abengoa was represented by in-house counsel.

Peralta 100MW wind farm

Jurisdiction:

Uruguay; Germany

Deal type:

Project finance; Project development

Practice area:

Project finance; Project development

Industry sectors:

Energy

Firms:

CMS Hasche Sigle

Party: Enercon (Project developer)

Hughes & Hughes

Party: Enercon (Project developer)

Freshfields Bruckhaus Deringer

Parties: KfW (Lender), Landesbank Hessen-Thüringen Girozentrale (Lender), KfW IPEX-Bank (Lender)

Jiménez de Aréchaga Viana + Brause

Parties: KfW (Lender), Landesbank Hessen-Thüringen Girozentrale (Lender), KfW IPEX-Bank (Lender)

Overview:

- German-based developer Enercon has obtained \$165 million to construct the Peralta wind park.
- Enercon acted through subsidiary Agua Leguas.
- Located in Tacuarembó, the park consists of the Peralta I and II wind farms.
- With 50 E-92 wind turbines, the park will have an output of 100MW.
- In addition to Germany, necessary equipment was imported from Brazil.
- The lenders were KfW, Landesbank Hessen-Thüringen Girozentrale and KfW IpeX-Bank.

Vientos de Pastorage 53MW wind farm.

Jurisdiction:

Uruguay; Germany; Spain

Deal type:

Project finance; Project development

Practice area:

Project finance; Project development; Refinancing

Industry sectors:

Energy

Firms:

Jiménez de Aréchaga Viana + Brause

Parties: Crédit Agricole (Lender); Caixa (Lender)

Chadbourne & Parke

Party: Deutsche Bank (Lender)

Guyer & Regules

Party: Deutsche Bank (Lender)

Pillsbury Winthrop Shaw Pittman

Party: Deutsche Bank Trust Company Americas (Administrative agent)

Overview:

- The Vientos de Pastorage wind farm has obtained \$100 million in financing.
- Proceeds from the loan will be used both to refinance a previous loan provided by Deutsche Bank in 2015 and to finish the project.
- The wind farm will have a generating capacity of 53MW, but expectations are that the project will eventually be expanded to 150MW.
- Vientos is a subsidiary of developer Bow Power.
- The project is located in Flores, Uruguay.
- The lenders were Crédit Agricole and Caixa.
- Deutsche Bank Trust Company Americas acted as administrative agent.
- Bow Power was represented by in-house counsel.

South America

Project finance transactions which reached financial close in 2016

(Data provided by IJ Global)

| Name | Country | Sector | Sub sector | Transaction type | Value |
|--|-----------|---------------------|------------------|-----------------------------|---------------|
| Campana Refinery Expansion | Argentina | Primary Financing | Oil & Gas | Downstream | \$378 million |
| Acu Port Transshipment Terminal | Brazil | Primary Financing | Transport | Ports | \$500 million |
| Hidrovias do Brasil's North Corridor | Brazil | Primary Financing | Transport | Maritime Transport, Ports | \$391 million |
| Puma Pulp Mill | Brazil | Primary Financing | Renewables | Biomass | \$300 million |
| Sao Miguel do Gosto Wind Complex (108MW) Bond Facility | Brazil | Additional Facility | Renewables | Onshore Wind | \$15 million |
| Voltaia's Rio Grande do Norte Wind Portfolio (129MW) Bond Facility | Brazil | Additional Facility | Renewables | Onshore Wind | \$66 million |
| Autopista de Antofagasta Toll Road (320KM) Refinancing PPP | Chile | Refinancing | Transport | Roads | \$284 million |
| Cabo Leones I Wind Farm (115.5MW) | Chile | Primary Financing | Renewables | Onshore Wind | \$200 million |
| Cardones-Polpaico Transmission Line (753KM) PPP | Chile | Primary Financing | Power | Transmission & Distribution | \$1.2 billion |
| El Pelicano Solar PV Power Plant (100MW) | Chile | Primary Financing | Renewables | Photovoltaic Solar | \$199 million |
| Escondida Copper Mine Additional Facility 2016 | Chile | Additional Facility | Mining | Base Metals | \$1 billion |
| Esperanza (9MW) and Marchigüe (9MW) Solar PV Plants | Chile | Portfolio Financing | Renewables | Photovoltaic Solar | \$29 million |
| Hidroelectrica de Pasada Palmar-Correntoso SHPP (15MW) | Chile | Primary Financing | Renewables | Small Hydro | \$31 million |
| Los Loros Solar PV Plant (54MW) | Chile | Primary Financing | Renewables | Photovoltaic Solar | \$97 million |
| Mejillones - Cardones Transmission Line (600KM) | Chile | Primary Financing | Power | Transmission & Distribution | \$742 million |
| Octopus LNG | Chile | Primary Financing | Oil & Gas,Power | Gas-Fired; LNG; Midstream | \$850 million |
| Ruta F-20 Nogales-Puchuncavi Highway (43KM) PPP | Chile | Primary Financing | Transport | Roads | \$230 million |
| Santiago de Chile Airport Expansion PPP | Chile | Primary Financing | Transport | Airports | \$593 million |
| Santiago Occidente Hospital PPP | Chile | Primary Financing | Social & Defence | Healthcare | \$323 million |
| Santiago Solar PV Plant (115MW) | Chile | Primary Financing | Renewables | Photovoltaic Solar | \$157 million |
| Autopista Conexion Norte (140KM) PPP | Colombia | Primary Financing | Transport | Bridges; Roads; Tunnels | \$469 million |
| Autopista Pacifico 1 (46KM) PPP | Colombia | Primary Financing | Transport | Bridges; Roads; Tunnels | \$1.2 billion |
| Autopista Pacifico 2 PPP (95KM) | Colombia | Primary Financing | Transport | Bridges; Roads; Tunnels | \$424 million |
| Autopista Pacifico 3 (231KM) PPP | Colombia | Primary Financing | Transport | Roads | \$650 million |
| Cartagena-Barranquilla Highway (146.7KM) PPP | Colombia | Primary Financing | Transport | Roads | \$489 million |
| Jobo-Cartagena Natural Gas Pipeline Expansion | Colombia | Primary Financing | Oil & Gas | Midstream | \$200 million |
| Neiva-Girardot Corredor (266KM) PPP | Colombia | Primary Financing | Transport | Roads | \$256 million |

LATIN AMERICA / SOUTH AMERICA

South America

Project finance transactions which reached financial close in 2016

(Data provided by IJ Global)

| Name | Country | Sector | Sub sector | Transaction type | Value |
|---|----------|---------------------|------------|--------------------|---------------|
| Puerto Salgar-Girardot Corridor (212KM) PPP | Colombia | Primary Financing | Transport | Bridges,Roads | \$370 million |
| Via Perimetral del Oriente de Cundinamarca Highway (154KM) PPP | Colombia | Primary Financing | Transport | Roads | \$457 million |
| Villavicencio - Yopal Toll Road (261KM) PPP Bridge Facility | Colombia | Additional Facility | Transport | Roads | \$104 million |
| Aurora Gold Mine Refinancing | Guyana | Refinancing | Mining | Precious Metals | \$80 million |
| Fenix Power Combined Cycle Power Plant (570MW) Refinancing | Peru | Refinancing | Power | Gas-Fired | \$365 million |
| La Pampilla Refinery New Production Facility | Peru | Primary Financing | Oil & Gas | Downstream | \$252 million |
| Campo Palomas Wind Farm (70MW) | Uruguay | Primary Financing | Renewables | Onshore Wind | \$135 million |
| Natelu (9.5MW) and Yarnel (9.5MW) Solar PV Plants | Uruguay | Portfolio Financing | Renewables | Photovoltaic Solar | \$33 million |
| Peralta Wind Farm (117.5MW) | Uruguay | Primary Financing | Renewables | Onshore Wind | \$160 million |
| Sky Solar's Uruguay PV portfolio (69.9MW) | Uruguay | Portfolio Financing | Renewables | Photovoltaic Solar | \$85 million |
| Vientos de Pastore Wind Farm (52.8MW) | Uruguay | Primary Financing | Renewables | Onshore Wind | \$137 million |
| Vientos de Pastore Wind Farm (52.8MW) Refinancing | Uruguay | Refinancing | Renewables | Onshore Wind | \$99 million |