

PROVIDENCIA SOLAR PV PROJECT

Client Impact  **DEBrief**



ABOUT PROVIDENCIA SOLAR

Providencia Solar, S.A. de C.V. is a special purpose company established in El Salvador by Neoen, S.A.S. aiming to increase the installed power capacity of renewable energy in the country, improve efficiency, and bring low-cost energy solutions to the region. Through this business model, Neoen, a French company established in 2008, brings its significant experience as one of the world's most dynamic renewable energy producers: it oversees the largest photovoltaic solar plant in France, and the world's largest lithium-ion energy storage battery in Australia.

Providencia Solar is the first commercial-scale solar energy project developed in El Salvador that seeks to increase private sector participation in the country's energy sector and generate innovative technologies in the electric power industry.

Expected installed renewable energy capacity of Providencia Solar farms:

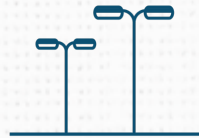
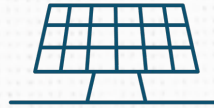
Antares Solar Farm:
60 MW_{ac}

Spica Solar Farm:
20 MW_{ac}

GEOGRAPHIC FOCUS



SECTORS



VISION



PARTNERING WITH PROVIDENCIA SOLAR



IDB Invest has provided US\$57.7 million in financing to Providencia Solar for the construction, operation, and maintenance of two adjoining solar photovoltaic plants and related facilities with a total of 80 MW_{ac} in installed generation capacity. In addition, IDB Invest provided US\$4.4 million for the installation of a Battery Energy Storage System (BESS). Through this innovative investment, IDB Invest aims to support social development in low-income communities while ensuring high environmental and sustainability standards. By mobilizing additional resources to acquire the BESS, IDB Invest is also sending a favorable signal to the capital market by increasing Providencia Solar's efficiency and profitability.

By partnering with Providencia Solar, IDB Invest is supporting El Salvador's power priorities to provide a stable and diversified long-term electricity supply to its population and increase clean energy generation, thus propelling the country's green transition. The investment offers Providencia Solar the opportunity to improve the lives of the people in El Salvador through the provision of reliable clean energy. This innovative alliance also boosts El Salvador's competitiveness, productivity, and sustainable growth.

INVESTMENT SNAPSHOT

Sector	Region	Project Investment	Approval Date
Infrastructure and Energy	El Salvador	US\$62.2M	2015

Targets (2037)

Installed clean power capacity	Energy generated from renewable resources
100 MW	125,008 MWh
Ratio of energy production	Greenhouse gas emissions reduction annually
0.18%*	8 , 0 tons of CO2

*Ratio of energy production = MWh produced/ MW installed*24*365



MEASURING DEVELOPMENT IMPACT

IDB Invest's [Impact Management Framework](#) is an end-to-end series of tools and practices covering the complete investment lifecycle. It allows us to build, measure, and manage a portfolio of financially sustainable investments that maximize development impact and contribute to reaching the Sustainable Development Goals (SDGs).

The SDGs are at the core of our approach. IDB Invest identifies the expected contributions of each investment to specific SDG targets upfront, and measures actual progress achieved over time.

PROVIDENCIA SOLAR: DEVELOPMENT IMPACT RESULTS

7 AFFORDABLE AND CLEAN ENERGY



Providencia Solar substantially increases the share of renewable energy in overall energy consumption.

ENERGY GENERATED FROM RENEWABLE RESOURCES (2021):
176,233 MWh

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



The project develops sustainable and resilient infrastructure to support economic development and human well-being.

INSTALLED CLEAN POWER CAPACITY (2021):
100 MW

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



Providencia Solar's Environmental Plan introduces sustainable practices, such as risk management analysis which includes pollution prevention and waste management procedures.

PERCENT OF ENVIRONMENTAL ACTIONS AND ACTIVITIES IMPLEMENTED FROM THE SOCIAL AND ENVIRONMENTAL PLAN (2021):
100%

PROVIDENCIA SOLAR: DEVELOPMENT IMPACT RESULTS

13 CLIMATE ACTION 

Providencia Solar generates part of its energy using renewable sources, thus reducing its carbon footprint.

GREENHOUSE GAS EMISSION REDUCTION (2021):
123,363 tons of CO2

17 PARTNERSHIPS FOR THE GOALS 

Providencia Solar mobilizes financial resources to support sustainable initiatives in developing countries.

RESOURCE MOBILIZATION AMOUNT (2021):
US\$18M

MEASURING & MANAGING IMPACT: PROVIDENCIA SOLAR'S DELTA IMPACT SCORE



DELTA Impact Score

The DELTA is IDB Invest's rating system for assessing the expected economic, social, and environmental impact of each investment. The **DELTA Impact Score*** is tracked and updated annually to monitor and benchmark investment performance.

Providencia Solar's DELTA Impact Score reflects its high potential to foster sustainable development and generate positive outcomes in terms of innovation in infrastructure, use of renewable energy, and compliance with local environmental and social standards. Through the installation of a BESS, Providencia Solar improves its efficiency and capacity by addressing climate change with additional displacement of GHG emissions. The score also captures the investment's potential to diversify El Salvador's energy matrix, boost economic growth, reduce energy costs, and decrease energy poverty.

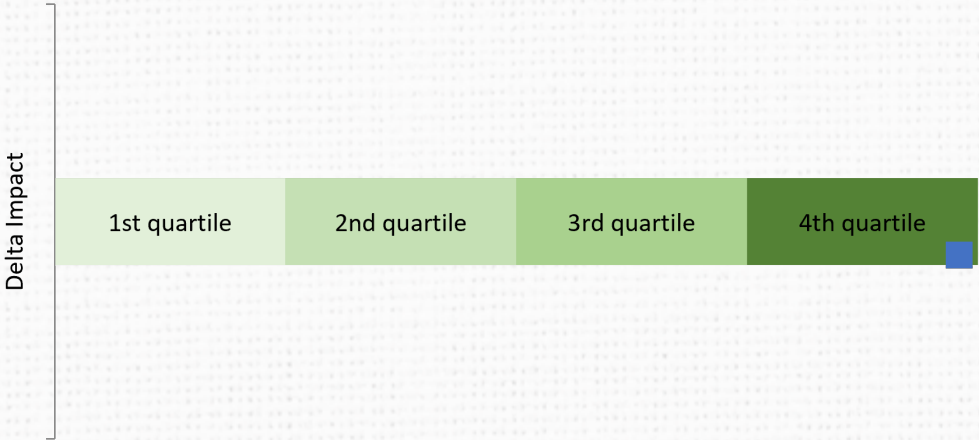
*To complement the DELTA Impact Score, IDB Invest calculates an Additionality Score to ensure that it provides financing beyond what is available in the market and that it contributes to better investment outcomes. The "DELTA Project Score" is the overall rating assigned to each project that encompasses both the DELTA Impact Score and the DELTA Additionality Score.

MEASURING & MANAGING IMPACT: PROVIDENCIA SOLAR'S DELTA IMPACT SCORE

DELTA IMPACT SCORE



How does Providencia Solar compare to other investments in the energy sector?



BUILDING BLOCKS OF THE DELTA IMPACT SCORE*



Economic Analysis

Estimates the net benefits of the investment to the economy and society (Economic & Social Rate of Return).



Stakeholder Analysis

Complements the Economic Analysis by assessing the types of beneficiaries reached and the type of benefits generated.



Sustainability

Ensures that the project is financially sustainable and meets IDB Invest's ESG requirements.

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Managing for impact is an ongoing process.

Let's continue the conversation.



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