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IJGLOBAL ESG AWARDS 2021 **WINNERS INSIDE**

IJGlobal ESG Awards 2021

Awards special

This year's roll-call of the victorious for deals closed in 2020/21

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Three years in the brewing
IJGlobal ESG Awards

It was three years ago that I first thumped the ESG drum around Euromoney – *IJGlobal*'s parent company – saying we should launch awards focused purely on this space, celebrating the transactions, companies and people who move the dial.

Not everyone was a fan of that percussion solo, so out to market I went to test appetite. The response from this market testing was predominantly along the lines of "yup, I'd like to win one of them", which was gleefully fed back to the powers that be.

Now, I'm not going to lie, it did somewhat gather dust after that initial burst of energy and when it was wheeled out earlier this year, I braced for a tsunami of indifference and – blow me – they got it. By George, they got it.

So – with a spring in my step – I leapt into action. An international panel of judges (thanks to all) was enlisted in the blink of an eye. The awards launched, submissions poured in, Judgment Day hosted over Teams… and then for the awards night on 21 October in the BAFTA headquarters on Piccadilly, central London.

Good grief, what a culture shock. Actually meeting people… and more than 100 of them. Not a dry cough in the building, we cheered mightily for the victors and raised a glass of Prosecco (masquerading as Champagne) to their success.

The jubilation of it all took me back to such delights as the *IJGlobal* Awards in the glorious Natural History Museum or whichever Manhattan venue wasn't going to fleece us until we wept with penury, or a fairly non-descript hotel in Dubai or Singapore where the events team scored a good deal at the expense of convenient location.

There we were in Piccadilly at the BAFTA HQ no less, everyone (apart from a couple) in their best bib and tucker tentatively elbow shaking as they entered only to leave arm-in-arm at carriages breathing goodness-knows-what into each other's faces.

Oh, what a night. As you will see from the coming pages, we had a good turn-out… but you can't expect people in the coronavirus world we live in to travel from the US, LatAm or Asia to pick up an award… which is one reason I'm pushing for the *IJGlobal* ESG Awards immediately to be rolled out on an international basis.

I am drafting a fresh editorial advisory board for the second incarnation of the awards and I want to pull in submissions for Europe, the Americas, Asia Pacific and the Middle East and Africa – so that deals, people and companies across all four regions are represented.

An array of belters

The beauty of ESG awards is that submissions can be judged not only on actual developments – say a deal that closed with an ESG-linked financing instrument – but also concrete aspirations that have yet to play out. In the latter, however, you have to convince the judges as to the merits.

Going by the submissions for this year's awards, by Jiminy – there are some folk out there doing some tremendous things.

While I shouldn't admit to a favourite, I have to say that Atlas Renewable Energy blew me away. What an amazing submission and what a gloriously transformative role it is playing.

You will notice as you flick through this virtual magazine that I might have favoured Atlas with a few more words than other deal winners… possibly because I think they are truly awesome. The role this company is playing on the LatAm diversity front is enough to turn any ESG doubter into a true believer. This is a truly exceptional company… but far from alone in these pages.

And that's why these awards are here to stay. We need to shine a light on the achievements that will play a part in driving change. And change is what we want / need to see. ∎

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IJGlobal ESG Awards 2021

Celebrating ESG Champions in Infrastructure & Energy Finance

We are delighted to announce the winners for the inaugural **IJGlobal ESG Awards**.

The **IJGlobal ESG Awards** – reflecting developments across the infrastructure and energy community from 1 April 2020 to 31 March 2021 – recongise achievements in the infrastructure and energy sectors over the judging period.

The infrastructure community – those who could be there on the night in these times of Covid-19 – gathered on 21 October in central London to celebrate the victorious at the inaugural **IJGlobal ESG Awards**.

It was with great delight that *IJGlobal* brought to conclusion 3 years of preparation to host the very first ESG awards in the BAFTA headquarters on Piccadilly, London, hosted by editor Ila Patel and editorial director Angus Leslie Melville.

IJGlobal ESG Awards 2021

IJGlobal ESG Awards 2021

The Individual Winners

- ESG Lifetime Achievement of the year – **James Cameron**
- Outstanding Contribution of the year – **Anne Foster**
- ESG Investor Rising Starof the year – **Rachel Fleming, IFM Investors**
- ESG Advisory Rising Star of the year – **Amy Cleaves, Hogan Lovells**

ESG Lifetime Achievement Award **James Cameron**

With a list of achievements in this space as long as your arm, James Cameron was a shoo-in as the first winner of the *IJGlobal* ESG Lifetime Achievement Award

There are few names in the ESG community that trigger instant recognition more than James Cameron's and the IJGlobal independent panel of judges was unanimous in its view that he should be the first winner of the ESG Lifetime Achievement Award.

The judges describe James as "a genuinely deserving recipient of a lifetime achievement award", saying he displays "breadth, depth and brilliance – what more could one ask?". They even singled him out for his involvement in COP26 where he "continues to lead from the front".

Another judge adds: "All contenders were highly deserving, but for me James Cameron deserves the first prize due to the extent of influence of his work – it is just so much more global."

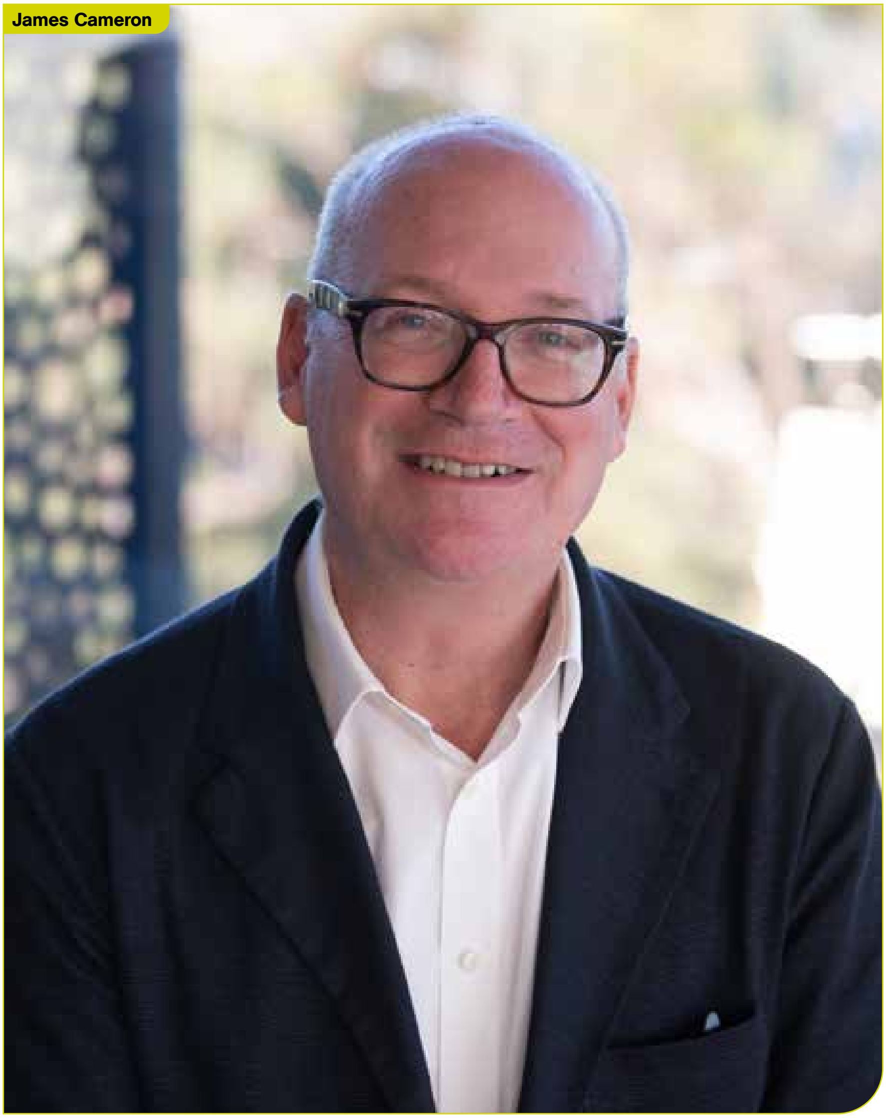
The judges' comments were rounded off with: "James was the founder of Climate Change Capital back at the beginning of this century when the environment was taken far less seriously. Through his work, he has helped to raise awareness of climate change globally and the importance of mitigating and adapting to it."

James' career is hugely impressive and a cursory read of his biography confirms the impact he has had, more than justifying his inclusion in the IJGlobal Hall of Fame which is being launched to identify winners of individual awards like this one. It also (lucky James) secures him a position as a judge on next year's panel for the ESG awards.

He is internationally recognised for understanding the systemic nature of the difficulties faced in the infrastructure and energy space, and has the expertise to identify and mobilise effective levers of change in civil society, government and business.

And he has enjoyed a good run of it in his career, having qualified as a barrister and been called to the Bar in 1987, practicing from 3 Verulam Buildings, Gray's Inn, London. He was counsel to Baker & McKenzie where he founded and headed its global climate change and clean energy practice. Further, he co-founded the Foundation for International Environmental Law and Development (FIELD) and the Centre for International Environmental Law (CIEL).

James Cameron



"James was the founder of Climate Change Capital back at the beginning of this century when the environment was taken far less seriously. Through his work, he has helped to raise awareness of climate change globally and the importance of mitigating and adapting to it."

That's just in the legal sector.

James is best known to the international infrastructure and energy community for having been the driving force behind Climate Change Capital (CCC) which he co-founded in 2003. Together with a powerful team, he developed CCC into an investment bank employing 150 people with $1.6 billion under management. He stayed on as chair until 2015.

James is a senior adviser to Pollination Global, SYSTEMIQ, Tulchan, AVAIO Capital and Carbon Cap. He is the chair of Global Sustainable Capital Management (GSCM), energy tech start-up Verv, and former chair (2012-20) of the Overseas Development Institute (ODI) where he remains on the board of trustees.

He is on the advisory council at Neste (Finland) and Heathrow 2.0 (on the future of aviation), the advisory board of Sun New Energy Holdings (India) and was a London Sustainable Development Commissioner.

James is non-exec director of Octopus Renewables Infrastructure Trust (ORIT), a newly-listed investment trust that recently raised a £350 million IPO; a NED for Crown Agents, which works globally with leaders to accelerate self-sufficiency and prosperity; and is a director of Ignite Power, Africa's fastest growing solar company.

We could go on, but that effectively nails James' credentials and – beyond a shadow of doubt – makes him a worthy winner of the inaugural IJGlobal Lifetime Achievement award… possibly setting an outrageously high bar for those who follow.

James Cameron

"I do think this is probably the most promising area of our economic development for rapid transition, despite the fact these are big systems that take a long time to replace."

James Cameron interview

When you ask James to talk about ESG, there's no stopping him… and to do so would be a travesty as there are few people on the planet as well versed to speak on the subject as he.

"I do think this is probably the most promising area of our economic development for rapid transition, despite the fact these are big systems that take a long time to replace," says James.

"We have had a few decades now of thinking about it, and now we're in a position to act… and the transition will happen faster than people can possibly imagine.

"Whether it's work like I did years ago with Solar Century in renewables or on the Infrastructure UK council in Treasury, and now at the Octopus Renewables Infrastructure Trust – with the Climate Change Capital story and the carbon disclosure project in the middle of that – getting data into the market to help investors and corporates figure out how on earth they will make the change to cope with climate change is key.

"All of those experiences tell me that both infrastructure and data can lie dormant in infrastructure investments, but when you put them together, they give you a powerful incentive to shift.

"I also advise an infrastructure fund in New York – AVAIO Capital – which does digital infrastructure as well as energy. We want all our new digital infrastructure to be run by renewable power. That is the way we want things to go.

"Just as we are having a green hydrogen debate, we should be having a green digital infrastructure debate, but there is a long way to go before that happens. However, it is perfectly possible to have renewable power plus storage on board for digital infrastructure – which is a nice virtuous circle because the better our digital infrastructure, the better able we are to produce the data which means that in due course we can manage supply and demand better in real time.

"There is a nice synergy there that has been under-emphasised."

In anticipation of COP26

With COP26 – which James will be attending in Glasgow – kicking off this weekend, he had a message for the market.

"I have a role as an adviser to COP26 and I will do my best to help, but some of the big issues are not going to be easy to resolve in the remaining time," says James. "So, I think we need to get our expectations in the right place."

James continues: "One of the things I do think positively about is – there will be a lot of initiatives launched with a genuine desire to deliver, but perhaps not quite with the resources in place. I am a lawyer by training, so I would like to see contractual obligations… a real commitment to deliver an outcome and be accountable for it.

"There won't be a lot of that. There will be a lot more commitments that are either political rhetorical, business intention or changing the narrative for investors… all of which is fine.

"I would suggest that from the point of view of infrastructure, there are three things that stand out in my mind and the first of those is the one we have just touched upon – that innovation is underway and has exponential power behind it.

"You will see much more rapid knowledge formation and an acceleration of innovation in the infrastructure sector… predominantly in power where I am confident the energy story is going to be the beneficiary of this innovation to the point where we do not need to worry too much about whether fossil fuels will remain in the system over the next two decades.

"I think it is pretty much inevitable that that transformation is on the cards. The faster we go – and the bolder we are – the lower the costs and the higher the macroeconomic returns will be to the economy to modernise their infrastructure."

James' first point is primarily that innovation is happening now and that it is building impetus to the point where infrastructure will be re-designed around that innovation.

James continues: "We have to imagine all infrastructure coping with the physical consequences of climate change. Whether you are designing projects to deliver clean energy as opposed to dirty, or building traditional infrastructure – roads, ports, bridges, or whatever – it all has to be designed in a way to cope with these changes.

"And finally, we have to start imagining infrastructure in tune with the natural systems upon which we depend – and that comes in two components.

"We need to value nature in our economy, in principle and in practice. For example, we have this new UK Infrastructure Bank being formed and I am trying to persuade it to have natural capital as a mandate, to understand how to deploy capital in furtherance of the enhancement of natural capital.

"That has good rapport in Treasury and it is sound, but it can't stay as a philosophical idea… it needs to be translated into investment practice and I would like to see that public institution become expert at delivering natural capital for the benefit of the nation, in conjunction with private capital being deployed.

"That institution – UKIB – and all other developments bank types that fund infrastructure have to be sure that the function that they provide enables us as a society to cope with the physical consequences of climate change and the societal consequence of building the wrong kind of infrastructure.

"Just staying with the existing system is going to be increasingly expensive for us as society, we have to have infrastructure designed as if the future mattered. And, of course, infrastructure investment is decadal in dimension.

"If we build the capacity to value nature and have a concept of natural capital we can translate to investment decisions – both in public institutions and private – we are much more likely to increase our resilience to climate change over the next two decades.

"We will have less societal cost associated with flooding and the likes, and we will build an infrastructure system that is capable of absorbing the innovations that are underway.

"We won't have blocking infrastructure, sunk costs, stranded assets, big bits of kit that we no longer need – we will have a more robust, resilient, diverse infrastructure that is clean and efficient.

"That's a great challenge, but I feel we are up to it."

James gave an example of the convergence of renewable energy generation, energy storage, digital demand-side management and electric vehicles, those technologies are converging and becoming mutually supportive.

"When you have that, you know your transition is going to move faster," says James. "There is going to be a time relatively soon where the incumbency will not be able to compete with electrons made that way, stored that way and distributed that way… and supported by electric vehicle infrastructure.

"That will become a virtuous circle that will be very difficult for the incumbents to compete with on cost. I cannot imagine any fossil fuel generation ever competing again with that system – not even gas."

"We have to imagine all infrastructure coping with the physical consequences of climate change. Whether you are designing projects to deliver clean energy as opposed to dirty, or building traditional infrastructure – roads, ports, bridges, or whatever – it all has to be designed in a way to cope with these changes."

James Cameron

ESG Awards – Outstanding Contribution **Anne Foster**, **Quinbrook**

The panel of judges was so impressed with Anne Foster that they created a category to recognise the role she has played in driving the ESG agenda

When the independent panel of judges met over Teams to work through the submissions for the inaugural *IJGlobal* ESG Awards, we fully expected there to be one Rising Star and one Lifetime Achievement.

However, as they reviewed submissions, it became immediately apparent that they had other things in mind. And we were perfectly happy for them to take charge as they had a clear remit to veto awards should they deem they impact credibility.

When it came to Anne Foster, global head of ESG at Quinbrook Infrastructure Partners, the judges were in a quandary. They felt that a lifetime achievement award was too much for someone who clearly has a great deal more to give, so they created the Outstanding Contribution category.

They were effusive in their praise, with one judge saying that "Anne embodies ESG leadership in energy and infrastructure sectors" and another recognising her "brilliant achievements" with "no doubt of more in store".

One judge said: "Anne may only be midway through her career, but her contribution to driving improved ESG outcomes spanning many diverse themes and industries can genuinely be described as outstanding. Her achievements leave me in awe, wondering just how she does it and I'm sure that in time she will be following James to the Lifetime Achievement award."

This judge was referring to James Cameron who was selected in the judging session to receive the *IJGlobal* ESG Lifetime Achievement Award.

Another judge added: "Despite the outstanding performance at her current firm with tangible benefits generated by a wide range of projects – many of which were strong contenders in this award – Anne's work reach is also reflected into industry advocacy, mentoring, thought leadership and many others. An early embracer of sustainability and definitely a role model for the new generation of ESG practitioners."

This personal accolade is echoed throughout the awards with Quinbrook being recognised for winning the *IJGlobal* ESG Award – Technology and highly commended in the Social category… a good deal of which was down to Anne's efforts.

"It is wonderful to be at this point in my career where the world is realising the need to build more sustainable businesses and to be able to work in a business that has ESG principles at its core," says Anne.

"The founders of Quinbrook built a company with climate resilience, mitigation and solutions as its foundation. We know our responsibility lies across all areas of ESG – including human rights and community impact, a just transition, diversity, biodiversity, environmental management and sound governance.

"We work day-to-day to steward investees to create more positive outcomes and – far beyond policy and process alone – are incredibly lucky to have portfolio teams so closely aligned and active in achieving the goals, on the ground, that we seek to implement for our investors and to drive chance.

"Coming from years of mixing finance, environmental science and human rights it is wonderful for me to see so many now realising how critical ESG is to financial, human, climate and environmental outcomes of businesses and investments."

Serving as Quinbrook's global head of ESG, Anne has led its strategy since inception – designing and implementing ESG processes. Over the course of her career, she has advised on billions of dollars of transactions in relation to climate and ESG impact, working with organisations that range from blue chip companies like BHP Billiton, through to start-ups.

Anne Foster

She has been appointed on numerous company boards, driving influence through ESG alignment and is a represented member on Quinbrook's investment committee, valuation committee, procurement and digital innovation committees… which stands testament to the lengths she has driven critical ESG-based decision making.

Anne works day-to-day directly with portfolio companies to drive change – from designing strategies that can provide beneficial impact on vulnerable communities, water stress, to actively forcing change in supply chains, driving suppliers to reassess their transparency and activities.

Her commitment to social impact, assessment and strategy was selected by the KPMG Human Rights team to be showcased in a human rights report.

However, when it comes to the crunch, there's a helpful barometer provided by the United Nations' Principles for Responsible Investment (PRI) assessment in which Quinbrook receives A+/A+ each year of reporting and 30/30.

According to the submission, this "is testament to the level of focus on ESG impact and strategy that Anne has driven".

Outside of Quinbrook, Anne has spent her career speaking, mentoring and actively driving change across the industry. Some of her impact, support, collaboration works and influence includes co-authoring In *Sight of the Clean Trillion*.

Anne was selected by CERES to take part in a roundtable with key regulators, supporting Practices for Just, Sustainable and Equitable Development of Clean Energy while also being chosen to represent Australia at SKOLL World Forum, SAID Business School.

Her achievements are many – which, during the judging session, had an evident impact on the panel – including being selected as one of 12 women across Australia for TEDx Sydney's advisory board, focused on diversity, human rights and women's opportunities.

Anne Foster

She is a member of the UN Inevitable Policy Task Force and independently mentors and supports women and start-ups, through programmes like EnergyLab or independently. And while on maternity leave, she founded ANZ's No1 rated BCorp and Best for the World Honoree, focused on breaking down environmental harm and human rights issues at ground level.

An ESG crusader

Anne's drive in ESG comes from early in her education and career. In the 1990s, she spent time working to improve environmental and human rights issues, working directly with impacted communities, vulnerable and trafficked women both in Australia and South-East Asia.

She sought out former leaders of global businesses to understand what issues had led to environmental damage, chronic issues in human rights and modern slavery.

According to the submission: "She tackles problems at the heart and with incredible detail, looking for solutions that deal with the real issues and uncomfortable truths – far beyond just where policies and processes can reach alone and instead understanding real – life complexities and seeking genuine resolutions.

"This has enabled her to drive and implement in Quinbrook what we have been told is one of the most extensive anti-modern slavery and human rights initiatives in asset management, critical to all renewable energy developers as concerns over labour transfer programmes of Uighur Muslim labourers, cobalt, gold, tungsten and other conflict or human rights mining abuses are embedded in the industry (like many others)."

While Anne is a private worker and rarely asks for public support, she has many supporters within some of the world's largest sovereign funds and pension pools, who regularly turn to Anne for advice, case studies or testing to help refine and improve their own ESG impact and analysis.

This influence has potential reach into hundreds of billions of dollars under management globally through her collaborations.

Anne is renowned for driving change in equality and diversity in finance, mentoring other women in their careers and is highly qualified for this role – a common area of concern at the intersection of ESG and finance.

She studied at the Bren School of Environmental Management, MIT in

Anne Foster

"Anne is driving the next generation of change, working with start-ups, universities and innovative groups to find ways to further drive impact both in diversity in how business is run and accessibility."

Cybersecurity and Tech and continuously supports her work through ongoing education.

The Quinbrook submissions rounds it off nicely: "Anne is driving the next generation of change, working with start-ups, universities and innovative groups to find ways to further drive impact both in diversity in how business is run and accessibility, as well as the intersection of energy, technology, water, agriculture, automation and constant assessment of what lies ahead and how industry needs to adapt and evolve to support human rights, wellbeing and our natural capital."

The judges were unanimous in their view that Anne is a truly outstanding person and entirely deserving of recognition as the first recipient of the *IJGlobal* ESG Award for Outstanding Contribution.

ESG Rising Star Award

Rachel Fleming, IFM Investors

An international finance specialist with a drawer full of passports, Rachel Fleming wowed the *IJGlobal* judging panel to become an *IJGlobal* ESG Rising Star

It doesn't take long in Rachel's company before you come to the conclusion that ESG is hard-wired into her DNA. There's something of the Greta Thunberg about her… in the nicest possible sense.

This is a woman who has made career decisions that she readily agrees has impacted her progression – at times stepping away from origination and execution – so that she can focus on driving the ESG agenda.

Rachel is an associate in the London-based IFM Investors' infrastructure debt team having relocated to the UK from Australia in spring 2019. She cut her teeth in the power and energy sector in Melbourne at NAB, joining the bank in its early 2012 graduate intake.

Straight out of the trap, Rachel focused on renewable energy transactions as well as more challenging elements of the job, winning her the Altitude Award for leading the overhaul of NAB's credit rating tool for project finance borrowers.

After joining IFM in Melbourne in late 2017, Rachel led the greenfield financing of an energy-from-waste plant in Western Australia. Since relocating to London, Rachel has worked on an Iberian onshore wind portfolio refinancing, several European district heating transactions, a HoldCo PFI portfolio financing, a UK social housing USPP issuance, and a UK meter portfolio refi.

Shortly after joining IFM in Melbourne Rachel got to work on her first ESG project: the development and implementation of the infrastructure debt team's ESG checklist. More recently in the UK, Rachel has continued her work on ESG initiatives by building a portfolio-wide emissions data capture tool.

The independent panel of judges at the *IJGlobal* ESG Awards 2021 (one of whom proposed Rachel for the Rising Star category) was impressed by her submission with one raising a hat to her "fantastic appetite for creating useful tools for investors" and not being "afraid of the gritty details of emissions reporting". Another celebrated Rachel's "strong commitment and obvious passion to drive ESG outcomes".

One of the judges – all of whom are established infrastructure professionals, steeped in ESG – said at the virtual judging session: "Rachel has already made important impacts in two large and different geographies, working in a couple of high-profile projects but also engaging in improving the ESG disclosure practices of the firm."

Another judge added: "From personal experience, I can well imagine how challenging pulling together GHG emissions data on an infra debt portfolio of 200 borrowers would be, and she would be very welcome to come and work in my team based on that alone!"

Yet another judge notes the impact she has made at IFM: "In the short time Rachel has been working for her employer, she has helped develop ESG standards for the firm as well as working with her industry to establish standard-form ESG covenants for issuers of debt."

And that was based on Rachel's submission alone. To meet her in person is to discover just how deep that commitment to ESG runs.

Meeting Rachel Fleming

Rachel is an international infrastructure professional by dint of birth and upbringing, as well as career strategy. She was born in Ireland and her family upped sticks for a new life in Australia when she was a baby… meaning she has the enviable right to work in the UK as well as Europe and Australia.

Add to that fluency in Italian and strong skills in French and Spanish and you're starting to build a picture of a finance specialist who can speak the international

Rachel Fleming

"In the short time Rachel has been working for her employer, she has helped develop ESG standards for the firm as well as working with her industry to establish standard-form ESG covenants for issuers of debt."

language of infrastructure wherever she may be.

As Rachel says: "I was initially drawn to the renewable energy sector because I saw it as the primary solution to climate change. I now appreciate that the problem is much more complex and nuanced – and in fact, that the work that needs to be done beyond wind and solar farms is much more challenging and arguably of greater importance… therefore, for me, more exciting.

"My view has evolved – and I'm sure I'm not alone in that – because I realise that the systemic change required to prevent catastrophic climate change means we need to assess, analyse and confront each and every sector… not just put our green blinkers on and pretend that the brown stuff doesn't exist.

"This view is relevant not just to my own learning, but more importantly, how I believe that the financial markets need to be leveraged in order to drive shifts in the real economy… for example by reducing the information asymmetry that is part of the problem of climate change."

Rachel continues: "Negative externalities exist because the market finds them difficult to measure and therefore price. If we play our role in embracing and transmitting data to owners of capital, they can better 'price' both negative and positive externalities. The time has come for our sector to take more ownership of the data – and our position in the data supply chain.

"Of course, I acknowledge the crucial role of government intervention in addressing negative externalities… enter the regulator and all of those acronyms like SFDR that many of us have had to do crash courses on over the past 12 months.

"While causing many headaches across the sector, these regulatory changes are

It is Rachel's exposure to nature, sports and strong family influence that has moulded her into a rounded industry professional

Rachel Fleming

"Cycling is the element that I am most adept at in triathlons, Also velo-tourism is part of the reason I was attracted to Europe, as the nature connection is important to me. It is a wonderful way to take in scenery and be healthy at the same time."

representative of why – as an Australian – I was drawn to move to Europe in early 2019.

"I see this region as leading the world in climate-positive policy."

Rachel adds: "Taking a step back… for me, caring personally about ESG – both impacts and risks – in the world of infrastructure finance is at once challenging, exciting and daunting. We need to be both ambitious and realistic; to celebrate achievements without being disingenuous or misleading; and to forge systemic change while seeking to build consensus.

"The balancing act is a tough one; it is perpetual, multi-faceted and imperfect."

And that – in a nutshell – is why the *IJGlobal* judging panel was so insistent that Rachel win a Rising Star award.

It's not all work

Outside of work, Rachel is what in the 1980s we used to call a "fitness fanatic". In reality (and bringing it up to modern times) she is a triathlete.

"Cycling is the element that I am most adept at in triathlons," says Rachel. "Also velo-tourism is part of the reason I was attracted to Europe, as the nature connection is important to me. It is a wonderful way to take in scenery and be healthy at the same time."

Her next love is Latin languages: "I speak Italian fluently and am intermediate/advanced in French and intermediate at Spanish. These are passion projects and I never intended them to have a career overlap, but if they ever did – that would be fabulous."

As mentioned earlier, Rachel is international in the truest sense as her family emigrated from Dublin when she was in her first year to Perth, Australia, and then on to Adelaide and then to Melbourne (with brief stints in Paris and Rome) until the lure of London brought her to Europe.

"I have won this lottery of citizenships as I am Irish and so have permission to work in the UK, but also an EU citizen alongside Australian citizenship," says Rachel.

She grew up on the beach in Adelaide where she learned an appreciation for the environment and her parents instilled in her an awareness from an early age of recycling and avoidance of single-use plastics.

"Australia – when it comes to plastic waste pollution – was quite advanced, but because of the influence of mining and the fossil fuel lobby, it has fallen far behind on the carbon trading aspects," says Rachel. "There is a lot of awareness in Australia for environmental protection from a what-you-can-see basis in protecting the oceans."

It is this exposure to nature, sports and strong family influence that has moulded Rachel into a rounded industry professional who seeks to make the world a better place for future generations.

ESG Rising Star – Advisory

Amy Cleaves, Hogan Lovells

The inaugural winner of the *IJGlobal* ESG Rising Star in the Advisory category is Hogan Lovells associate Amy Cleaves who thoroughly impressed the judging panel with her passion for ESG

A history graduate who converted to law, Amy Cleaves cites Hollywood blockbuster *Legally Blonde* an early inspiration to become a lawyer, while her motivation to drive an ESG agenda within Hogan Lovells and its client base… well, that runs a lot deeper.

Amy is a dyed-in-the-wool Hogan Lovells lawyer having joined the firm as a trainee in early 2016, rising to associate in its London office's infrastructure, energy, resources and projects and ESG practices.

Her work focuses on advising on renewable energy projects, ESG policies, social inclusion funds, corporate governance arrangements, and how the global energy transition will affect companies.

And it was this sector focus combined with a passion for environmental, social and governance issues that won over the *IJGlobal* independent panel of judges who opted – thanks to two strong submissions in the Rising Star category – to open it up to two winners.

The judges glowed about Amy, saying she "has helped her clients, including the UK government and The Crown Estate, to make their organisations more sustainable and inclusive" and that she has "an intellectual curiosity and breadth of engagement that is impressive".

Another admired Amy's submission for having a "good balance of enabling activity and practical examples of ESG leadership".

"Amy's energy, enthusiasm and dedication to promoting ESG and driving differences came out in the submission. Far from just 'doing her job', she appears to be championing ESG initiatives to a level far and above what may be expected of someone at associate level," said one judge.

Another adds: "Here again it was a close call, but Amy stood out given the extent of impact of her work, which benefits not only the clients and projects she assists, but also Hogan Lovells' own practice as well. Amy seems passionate and driven by sustainability and has been able to translate much of that into concrete positive benefits."

Meanwhile, one judge who knows Amy says: "Having worked with her personally – to me – she perfectly fits the essence of this award. She is passionate about ESG and a clear emerging thought leader."

Sadly, Amy was unable to attend the awards night in the BAFTA headquarters on Piccadilly, central London, as she is (happily) in the final stages of pregnancy.

Amy Cleaves

Amy studied history – a subject that fascinates her and remains close to her heart – at Warwick University, but had always intended to follow a career in law, half-joking about the movie influence.

"I had always planned to be a lawyer," she says. "*Legally Blonde* came out at an instrumental moment in my life and it made the law seem very appealing if you have a lot to say for yourself and you like to stand up for what you believe in."

However, after studies she did not dive straight into law: "In between finishing my studies and working at Hogan Lovells, I worked in politics for a year. I have always had a keen interest in the political process and concepts of justice within big institutions – all of which led me this direction."

And then in 2016, her career at Hogan Lovells started: "I've been interested in the environmental and social responsibility of lawyers from the start, and this is a thread I managed to track through my training contract and now as an associate."

And Amy is well aware of the influence she can wield acting for major corporates in a first-tier law firm.

"Lawyers – and corporate law firms generally – have this huge potential because they advise the biggest companies in the world on all of their critical issues and so, as an adviser, you have scope to enact change," she says.

"There are companies out there with amazing ambitions. They use this to try and attract consumers and business opportunities. But what we can do – as lawyers – is embed and formalise that ambition, translating it from brand identity to operational reality.

Amy Cleaves

"Amy's energy, enthusiasm and dedication to promoting ESG and driving differences came out in the submission. Far from just 'doing her job', she appears to be championing ESG initiatives to a level far and above what may be expected of someone at associate level."

"We can take ideas and drive them throughout a whole legal infrastructure and business infrastructure, because we – as Hogan Lovells – would advise any one business on their IP, their corporate governance, litigation, financing… these are all integral to a client's ESG ambitions.

"Companies out-perform their competitors when they nail the ESG elements of their business. There is a shift from focusing on compliance to using ESG drivers to deliver long-term value."

Amy is a United Nations Sustainable Development Goals Young Innovator and spent 10 months on an intensive course with the UN Global Compact

Turning to the Hogan Lovells' ESG practice, which Amy describes as being "truly global", she identifies the firm's chief executive Miguel Zaldivar as a key influence. He has made his intention that Hogan Lovells operates as a responsible business one of five key pillars of his vision for the firm.

A bit closer to home, she cites Adrian Walker – a well-known figure in the infra/energy community, who now heads the global ESG practice – as a mentor, alongside Susan Bright, global head of responsible business.

Working closely with Adrian and Susan, Amy says that ESG has become a "lens through which we are advising all our clients", but particularly those in the infrastructure and energy space. And, according to Amy, ESG is more business critical in the infra/energy arena than other sectors as problems come home to roost a good deal faster.

"We act for a huge number of renewable energy companies and our approach to ESG provides a more holistic view to legal issues," she says.

"This has really helped certain clients because when we are talking about a contractual mechanism, what we're interested in is not just putting words on a page.

"It goes beyond contractual requirements; it is thinking about the governance that sits behind that and trying to ensure that what you are creating is an ecosystem within a business where ESG is embedded into decision making, reporting and customer relationships.

"It is more broadly advisory than purely legal."

And it was this embedded approach to ESG that won over the *IJGlobal* judging panel.

From the submission

In the submission, the notion of nominating Amy for a Rising Star award was deemed by Hogan Lovells colleagues to be a "slam dunk".

It reads: "She embodies ESG and is truly a rising star in this category. Amy is an ambitious innovator and a driving force behind the firm's growing ESG practice, which draws on the full scope of our global practice and sector capabilities to drive long-term profits and maximize positive impact for clients. She delivers on Hogan Lovells' mission to help clients use the law to build a better and more sustainable business and world."

The Hogan Lovells marketing machine says Amy has "brought energy and enthusiasm" to her work and has driven internal culture change particularly in the areas of diversity and inclusion and responsible business practices.

"Her main areas of interest encompass gender equality and addressing climate change – and the interrelation between these two critical issues," the submission reads.

Amy's current work as lead associate advising on the establishment of local infrastructure for Civic and the African Union's Great Green Wall has been labelled as an 'earth fixer' project

"She takes an active role in and is a long-standing member of our Breaking Barriers gender equality committee and sits on the firm's global ESG and Social Enterprise Boards where she champions issues surrounding sustainability and ethics.

"Amy is a prominent voice on these issues and has arranged and delivered training internally and to clients on the impact of gender stereotyping, women being interrupted and why the United Nations SDGs are critical for the sustainability of corporate law firms."

Amy is viewed within Hogan Lovells as a pioneer and she is renowned for her work on gender lens investing and social enterprises such as Lionesses of Africa, which focused on female education and empowerment in Africa to deliver outcomes and changes that align with her core beliefs.

The submission reads: "Amy champions internal sustainability efforts and the integration of the SDGs into Hogan Lovells' working practices. Her client work relating to energy transition, biodiversity and climate change is core to her practice and to her personal values.

"Her current work as lead associate advising on the establishment of local infrastructure for Civic and the African Union's Great Green Wall has been labelled as an 'earth fixer' project. The client's mission is to restore Africa's degraded landscapes and transform millions of lives in one of the world's poorest regions, the Sahel. Once complete, the Wall will be the largest living structure on the planet – 8,000km stretching across the entire width of the continent."

Amy is a United Nations Sustainable Development Goals Young Innovator and spent 10 months on an intensive course with the UN Global Compact being trained on innovation within large business to deliver the SDGs. In 2020, she spoke at the 2020 UN Global Compact Leaders' Summit about the role law firms must play in addressing climate change and other ESG issues.

As a founding member of Hogan Lovells' Business Integrity Group (BiG), Amy specified and built an app that puts ESG into every aspect of a client's legal infrastructure. Using the app, clients can take simple steps to consider how their business models and legal frameworks can optimise ESG potential and mitigate risk. Using its "nose-to-tail" ESG 360^0 Assessment tool developed by Amy and other members of the BiG team, Amy advises clients on how to enshrine purpose, mitigate risk and ensure their ESG commitments drive sustainable, profitable growth and competitive advantage.

On 21 October in the BAFTA HQ – our awards were the last event to be hosted there prior to its complete refurbishment – there were a good number of winners on hand to pick up their awards

IJGlobal ESG Awards 2021 drew in a crowd of a little north of 100 – considerably more than many in-person conferences are managing to achieve these days!

IJGlobal ESG Awards 2021

The Company Winners

- ESG Infrastructure Bank of the Year – **Natixis**
- ESG Public Sector / Multilateral winner – **Asian Infrastructure Investment Bank**
- ESG Financial Adviser of the Year – **Cranmore Partners**
- ESG Legal Adviser of the Year – **Norton Rose Fulbright**
- ESG Technical Adviser of the Year – **Arup**
- ESG Environment winner – **Hannon Armstrong**
- ESG Social Award winner – **Atlas Renewable Energy**
- ESG Social Award – highly commended – **Quinbrook Infrastructure Partners**
- ESG Governance Award winner – **CDPQ**
- ESG Technology Award winner – **Quinbrook Infrastructure Partners**

ESG Bank of the Year
Natixis

The banking category in the *IJGlobal* ESG Awards was keenly competed, but Natixis stole the day with a submission that won over judges for their innovation and action

When it comes to an ESG award for an infrastructure / energy bank, this was no small challenge for the independent judging team, debating all submissions and whittling down to a shortlist of three – with Natixis winning the day.

The French lender stole the day against shortlisted rivals CIBC and ING Bank with one judge saying it is "one of a number of banks leading the way in ESG" while another strikes a more definitive note with "Natixis has for a long time shown leadership in the ESG field and applied its technical expertise to financing across various groups, including Mirova which has spun off."

The judges recognised its "systematic and rigorous approach demonstrated by its development of a green weighting factor" while one singled out Natixis for "long term and deep commitment" recognising the bank for being "prepared to walk away from lucrative mandates which do not meet ESG criteria/goals – which is still very rare".

The praise came thick and fast with one judge admiring "Natixis' green weighting factor and environmental rating approaches" and another admiring its "NRG financing linked to clear GHG reductions, good ESG policy and thrust overall".

One judge (who was of a more verbose nature) adds: "Natixis stood out given the implementation of their Green Weighting Factor. It is one thing for a bank to commit to decarbonising its lending portfolio, but quite another to actually develop and implement a proprietary weighting system that creates transparency and clear incentives throughout the organisation to achieve this.

"Furthermore, Natixis demonstrated a well-balanced approach in terms of their focus both on helping their clients to become more sustainable – such as the sustainability-linked bond for NRG – and their own organisational transformation."

Antoine Saint Olive, global head of infrastructure and energy finance at Natixis, said: "I am very proud of this award which recognises Natixis' systematic effort to put ESG at the heart of our infrastructure and energy finance strategy.

"With the support from our green and sustainable hub, and notably thanks to some internal tools like our Green Weighting Factor – which boosts the profitability of ESG deals – we see ESG-related debt structures as an opportunity for our clients, including borrowers but also investors."

Pictured are (from left to right)**: Mathilde Boyer from Natixis in London; Christian Synetos from Blackrock; Pascal Soldaini, head of infrastructure and energy for the UK; Julien Duquenne, co-head of origination and advisory for the Natixis EMEA green and sustainable hub; Antoine Saint Olive, global head of infrastructure and energy finance at Natixis; Myriam Irastorza from the London Natixis team; Bettina Firino from Natixis London; and Javier Huergo, chief investment officer for Fotowatio Renewable Ventures (FRV).**

From the submission

ESG is one of the main levers of the Natixis – and BPCE Group – strategy and it has had a department reporting direct to the executive committee since 2017.

Overall, the Natixis corporate and social responsibility strategy aims to spread ESG awareness to all departments. This function benefited from a strengthened governance since 2020, with the creation on an ESR Committee at board level.

The Natixis infrastructure and energy finance group – a strategic business line for the bank –embraces a diligent ESG focus with a vast majority of its activities related to the financing of renewable power; green projects that range from data centres to district heating projects fed with green-sourced power; and carefully monitored nascent sub-sectors that include green hydrogen and carbon capture.

One of the key transactions Natixis drew attention to was the $900 million NRG sustainability-linked bond where the French bank was appointed sole sustainability structurer and coordinator in its inaugural SLB issuance which closed in November 2020.

Natixis also acted as a green loan coordinator for the $1.1 billion Climate Bonds Initiative certified financing of the Geysers which closed in June 2020. This is a portfolio of 13 geothermal power plants, where the largest complex in the US provides around 10% of the annual renewable power in California with proven operating track record, long residual life and low marginal cost of production.

The French bank also acted as sole green loan coordinator for the £380 million financing of Kincardine Offshore Windfarm which closed in June 2020. The project comprises the construction of a 50MW floating offshore wind farm off the Aberdeenshire coast, Scotland, and will be the largest floating offshore windfarm in the world when completed.

ESG Award Public Sector and Multilateral **Asian Infrastructure Investment Bank**

The judges – on the virtual Judgment Day – opted to blend the categories to recognise ESG activities among the public sector and within multilaterals… and chose for winner the Asian Infrastructure Investment Bank.

The judging team was particularly impressed by the AIIB submission and the decision was unanimous that it should win this coveted ESG award to recognise the effort it has put into driving forward this agenda.

And they did not hold back on their views saying "AIIB is playing a vital role in developing and supporting green infrastructure with its clients" adding that it "takes ESG extremely seriously and is willing to lead from the front… exactly what a multilateral or public sector agency should do".

One judge on the day said: "Since launching its AIIB Sustainable Capital Markets Initiative in 2018, more than 37% of the AIIB portfolio was invested in either sustainability bonds or green bonds as of December 2020. Through this large-scale investment, AIIB has been able to constructively engage with Asian corporates to help improve their sustainability profiles across the region."

The Beijing-based multilateral development bank notes the information advantage ESG integration provides asset allocators and portfolio managers.

"We believe a thorough consideration of ESG factors by investment institutions can improve the fundamental analysis they undertake and ultimately the investment choices they make," said Dong-ik Lee, Director General of Banking Department Region 1 at AIIB. "The next stage of development will rely on innovation of ESG investment thinking and practice."

Another judge added: "The AIIB has a comprehensive agenda and strategy and yet with clear focus areas, delivering tangible impacts in emerging markets and locations with more limited access to certain types of financing and advisory. It is setting the tone for social and environmental standards in infrastructure projects in Asia, constantly improving goals and targets and given the example by tapping and supporting sustainable finance instruments."

Yet another said: "As a multilateral development bank covering areas that typically attract less investment into clean energy, AIIB has the ability to drive genuine change. It's recently unveiled corporate strategy appears intended to do exactly that, with a 2025 target of directing 50% of approved financing into climate finance."

AIIB's corporate strategy and ESG standards are driving forces behind the bank's success.

"AIIB invests in sustainable infrastructure for tomorrow guided by its corporate strategy and high-quality standards in environmental social and governance aspects," said Quan Zheng, Director General of Policy, Strategy & Budget at AIIB. "By integrating ESG standards into our financing operations, we unlock the greatest potential to mobilize private capital in sustainable infrastructure investment in Asia."

A judge added: "The AIIB – as do all multilaterals – has a critical role in channelling capital to infrastructure projects, where there may be gaps and the typical institutional capital is not flowing to… certain jurisdictions and typically of more greenfield nature.

"In addition, projects and companies have become used to the high standards of ESG policies that their capital come attached with, which opens up the channels for more and other sources of capital."

Sustainability is a core component of AIIB's decision-making.

"AIIB's purpose is to foster sustainable economic development for our members. Leading and supporting ESG investments into our members is a critical part of fulfilling that purpose. We will continue our investments in this area which can catalyse more private capital especially into our emerging market members," said Najeeb Haider, Director General of Banking Department Region 2.

In late October, AIIB announced that it will fully align with the goals of the Paris Agreement by mid-2023. The bank estimates its cumulative climate finance approvals will be $50 billion by 2030. This figure will be a fourfold increase in annual climate finance commitments since AIIB started publicly reporting the number in 2019.

AIIB will actively lead events during COP26 at the MDB Pavilion. Sessions include mobilising private capital for climate-friendly infrastructure and scaling up adaptation finance in the Asia Pacific.


Quan Zheng

"AIIB invests in sustainable infrastructure for tomorrow guided by its corporate strategy and high-quality standards in environmental social and governance aspects."

ESG Financial Adviser of the Year **Cranmore Partners**

Cranmore Partners was lauded by judges for "significant and focused ESG commitment from a boutique advisory firm" to win in the financial advisory category

The independent judging panel for the *IJGlobal* ESG Awards trimmed the shortlist for the financial advisory award to just the two players – selecting Cranmore Partners as the eventual winner.

In a straight shoot out against PwC, the financial advisory boutique won a David v Goliath battle against the Big 4 adviser, winning accolades from the judges over its impressive performance on the ESG front during the judging period.

The win for Cranmore is all the more impressive given its diminutive nature… when compared with PwC. The firm has offices in Abu Dhabi, London and Istanbul though it is active on projects globally, with primary focus on the wider Middle East, Central Asia and Africa.

The judges were swayed towards Cranmore based on a "significant and focused ESG commitment from a boutique advisory firm" in addition to a "decent range of transactions, and first mover across these".

The praise for Cranmore was plentiful, celebrating its "good and important work in GCC" and an "impressive strategy given the region in which they're operating, allowing them to offer something genuinely different." It was also lauded for "pioneering new technologies" for its work with green hydrogen.

One judge who clearly was impressed by the PwC submission said: "A very close call, but Cranmore comes first due to the pioneering role it has played in a region dominated by hard-to-abate businesses, which will help not only to develop more needed projects but also sets the bar for regional peers."

This comment was joined by another that singled the Big 4 leader out for praise: "PwC deserves recognition due to its global reach, diversity of sectors and ESG topics addressed as well as the scale of its efforts – for example 100,000 new dedicated hires in 5 years."

Another judge who favoured Cranmore adds: "Cranmore positions itself as a thought leader in sustainability, and this was clear from their submission, particularly in the precision with which they spoke about large-scale deployment of green hydrogen. Furthermore, we appreciated their geographic breadth of transaction examples across Uzbekistan, Turkey and Spain."

The award was picked up on the night by Cranmore Partners founder and managing partner Yusuf Macun. He was joined on the stage by Cranmore partner Richa Prasad and executive director Nick Sinden

A further judge says: "Cranmore's enthusiastic promotion of sustainability in jurisdictions where this can be harder to achieve set it apart from the other submissions who arguably have more ESG-focused client bases and balance sheet to help their case. Their work appears to genuinely focus on trying to deliver a more sustainable society for all."

Finally one caps off: "Cranmore's boutique nature and the 'exotic' jurisdictions they have been able to take a leading ESG role in commends them to me. Cranmore reflects strength and breadth across a range of portfolios and markets."

Cranmore Partners founder and managing partner Yusuf Macun said: "We are humbled, and of course delighted, to receive the recognition of our peers and key market practitioners for this landmark award.

"The combination of the professional edge to support our market-leading clients on their successes in this very competitive space, and the core belief of the necessity to commit to energy transition, has continued to secure our clients' trust, which we are grateful for."

Yusuf added: "The commitment to ESG also drives us over and beyond successes on transactions. For instance the Hydrogen Investability Index, which took about 10-15% of our overall team's time over the last 6-7 months, was done without any expectation other than accelerating the understanding of the clean hydrogen investment theme."

The Cranmore submission focused on the role it has played in the United Arab Emirates promoting and advising on renewable energy transactions as well as leading the agenda on green hydrogen across the region.

It also picks out EnerjiSA Uretim, the 3.6GW portfolio financing in Turkey – the largest sustainability (ESG) linked transaction in country to date, and Nur Navoi, the first large-scale renewables development to be financed in Uzbekistan that set a precedent for the government's ambitious 8GW pipeline of new solar and wind to come by 2030.

ESG Legal Adviser of the Year

Norton Rose Fulbright

Pro-bono work and a clear commitment to ESG won Norton Rose Fulbright the *IJGlobal* ESG Legal Adviser of the Year trophy ahead of two magic circle rivals

In all the awards the *IJGlobal* presents, the legal segment tends to be the most hotly contested – possibly due to law firms having the marketing infrastructure in place to put forward credible submissions that will always give the independent judging panel pause for consideration.

This was – as expected – exactly the case for *IJGlobal* ESG Awards and the panel (having recused the lawyers) was hard pressed to make a decision, shortlisting to three firms: Allen & Overy, Clifford Chance and Norton Rose Fulbright.

It was at this stage, after considerable debate, that the judges went to a secret vote with Norton Rose Fulbright emerging victorious, but with the other firms pulling in considerable support.

However, the scales tipped in the direction of Norton Rose Fulbright with judges recognising the firm's pro-bono work with a "clear enunciation of E, S and G and sheer diversity/range of projects put forward" and another lauding work on Equator Principles as a "defining factor".

One of the judges says: "Norton Rose Fulbright demonstrated great breadth across ESG matters, ranging from sustainability finance in the Middle East and sub-Saharan Africa, to human rights matters in Australia, the UK and France. Furthermore, their pro bono work in matters regarding the scale-up of solar energy and a landmark gender discrimination case stood out."

Another celebrated the firm's "global reach with notable transactions / activities in emerging markets", adding that it warranted recognition for "comprehensive areas of expertise encompassing industry advisory/ policy advocacy and applied services in real economy projects like Bita water."

One of the judges rounded off comments saying: "Norton Rose presented a thorough submission touching on their contribution towards multiple ESG initiatives. Their extensive pro-bono work in relation to environmental and human rights issues stood out and – from a personal perspective – I have been impressed over the last year by their notable efforts in fighting systemic racism."

Jane Caskey, global head of risk advisory at Norton Rose Fulbright, said: "We are thrilled to be named the first legal adviser of the year at the *IJGlobal* ESG Awards. We believe actions speak louder than words. In all activity, we seek to behave in a way that consistently reinforces our business principles of quality, unity and integrity.

"Whether through internal initiatives such as our global CSR and pro bono activities, or in the work we do advising clients on everything from their transition towards renewable energies, on human rights matters, or on the latest developments in green and sustainable finance, we know that the businesses that will be best placed to succeed in the future are those that are prioritising environmental, social and governance best practice.

"We want to be there to help them on that journey – now, and in the decades to come."

The judges were particularly impressed by NRF's involvement in the $1billion financing of the Bita water project in the Republic of Angola, acting for the finance ministry.

The Bita water plant will be one of the largest drinking water plants on the African continent and will provide a particularly innovative boost to the modernisation of the water sector and to the development of Greater Luanda.

The international law firm also advised on the United Nations Principles for Responsible Banking where it was engaged to advise a multinational banking group on the UNPRB, including providing practical considerations ahead of it deciding whether to sign up to them.

And then there is the old friend of ESG – the Equator Principles – with NRF building on its previous work with the Equator Principles Association (EPA) on Equator Principles 4 (EP4) in 2019, providing advice to the EPA on the development of detail interpretive Guidance Notes to accompany EP4 that were published in September 2020.

The new Thematic Guidance Notes included detailed advice on implementing the key components of EP4, and included modules on Climate Change Risk Assessment, Biodiversity Data Sharing, Evaluating Projects with Affected Indigenous Peoples, and Implementation of Human Rights Assessments.

The award was picked up on the night by partner Caroline May, head of sustainability for Europe, the Middle East and Asia. She was joined by fellow partner Imogen Garner and senior associates Benjamin Carrozzi and Hannah McAslan

ESG Technical Adviser of the Year **Arup**

According to the *IJGlobal* independent panel of judges, Arup leads the field for technical advisory in the ESG field, making it a worthy winner of this inaugural prize

The independent panel of judges selected Arup as the winner for the technical advisory award singling it out for "working hard to help its clients manage ESG in line with best practice".

The judging team identified Arup as "defining strength and depth" having submitted "a really good submission that highlights their policies, strengths and achievements in E, S and G." This final comment is particularly important given the requirement for entrants for these ESG awards to identify achievements in all three elements.

The compliments came thick and fast for Arup with one judge saying it was "clearly a leader in this area" and that its "ESG strategy is innovative and evident".

One of the judges said: "Arup's submission suggests they genuinely are doing more than many technical advisory firms to drive the ESG agenda. My personal experience is that most TAs are still doing woefully too little on ESG factors, whereas Arup's 'ESG value' approach indicates a refreshingly holistic approach to these issues. Other technical advisers should pay attention."

This was joined by another saying: "Arup is a solid technical adviser with very competent technical professionals. It is good to see they have re-skilled to address the ESG agenda and momentum and are focused on that, as demonstrated by the two case studies. We will need all the advisers in the industry re-skilling or upskilling to address the existing gaps in ESG and advising the clients, in what is quite a substantially technical matter."

Meanwhile, another judge recognised the firm's "well-articulated strategy that demonstrates Arup impacts at project and ESG topic level, with clear social and environmental benefits, both at developing and developed markets". The judge continues: "The electric railway in Tanzania is an outstanding example of the combination of environmental and social angles where I would like to command the clear addressment of 'just transition' considerations."

Steven Lloyd, sustainable investment leader at Arup, said: "Arup is delighted that this award recognises our strategic focus on enabling and encouraging the market to accelerate positive action on climate and sustainability. What motivates us is helping clients to prioritise, develop and implement sustainable investment plans that shift the dial on genuine ESG outcomes."

The Arup way

In the Arup submission, it states: "The ESG agenda, and the regulations that shape it – such as EU Taxonomy, SFDR and TCFD – are changing the equation for investors in every sector, driving urgent need for action. Investors increasingly see huge potential benefit for enhanced returns and reduced volatility from proactively managing ESG.

"To unlock this potential, we have completely reframed the stereotypical environmental due diligence scope creating a much more value- and outcome-driven approach going way beyond an EHS compliance tick-box, identifying and quantifying ESG risks and opportunities and creating roadmaps for implementation."

The Arup (from left-to-right) **is: Tom Cleary, Ross Willoughby, Brendan Cuddihy, Charles van Tuyckom, Heather Potts, Ali Higgins, Jess Kennedy, Sharnvir Dhillon, Jason Lumb, Steven Lloyd (holding the award).**

Steven Lloyd

On the transaction front, the Arup submission drew reference to the Dar es Salaam to Makutupora Railway in Tanzania where the has embarked on an ambitious initiative to promote regional social and economic development by establishing modern, efficient and sustainable transport links throughout the nation and beyond.

Arup also played a key role on the financing of Northvolt's first lithium-ion battery manufacturing facility in the north of Sweden – which also wins an award. This plant is being developed by Northvolt, one of the most successful European industrial start-ups of recent years which is quickly becoming an iconic leader in the battery manufacturing value chain, a highly innovative sector for Europe. In June 2020, Northvolt announced that it had raised $1.6 billion in debt financing, with Arup's support as legal technical adviser.

On an internal level, Arup's global strategy promotes that "sustainable development is everything", consistent with its roots as a purpose-led organisation. Its founder – Ove Arup – said in 1970 "we should always be asking ourselves 'how does this create a more sustainable future for the world', and if it doesn't, we shouldn't be doing it".

According to the submission: "This philosophy is encapsulated within our sustainable development implementation strategy A Better Way, mapping out how Arup will drive a radical shift towards adaptive and regenerative designs, prioritising action to address climate change, making sustainable use of natural resources and delivering natural net gains."

ESG Award – Environment
Hannon Armstrong

A strong environmental focus won Hannon Armstrong the *IJGlobal* ESG award in the environment category with judges thoroughly impressed by its performance

Hannon Armstrong is the winner of the *IJGlobal* ESG Award in the Environmental category for the role it plays as the first US public company solely dedicated to investments in climate solutions.

As Hannon Armstrong states in its submission: "Our core purpose is to make climate positive investments with superior risk-adjusted returns."

And the ESG judges were keen to reward the role it has played, pointing out that it was "good to see a US firm leading the way with investments and fund raisings" and another adding that "Hannon Armstrong has been a pioneer in the US market in financing climate solutions".

During the judging session, one judge said: "As a US public company, Hannon Armstrong is setting a high bar on its delivery on climate solutions. They have achieved notable 'firsts' in a number of areas and are driving improved transparency across the market and commitment to reporting."

Judges were keen to support its progress pointing to "key features that are unique" and "dedication to climate solutions" as well as "lots of innovation noted – Carbon Count, for example – and green bonds, combined with its entire strategy and rationale for existence being ESG investments".

Hannon Armstrong invests in climate solutions developed by leading companies in energy efficiency, renewable energy, and other sustainable infrastructure markets.

The company's goal is to generate attractive returns from a diversified portfolio of projects with long-term, predictable cash flows from proven technologies that reduce carbon emissions or increase resilience to climate change.

2020 – banner year for Hannon Armstrong

Over the course of 2020, Hannon Armstrong completed around $1.9 billion of transactions, held some $2.9 billion of transactions on its balance sheet, and managed about $7.2 billion of assets – all the while ensuring its investments made positive returns to the environment.

According to the submission: "These environmental returns helped avoid 5.2 million metric tons of CO2 – the equivalent to eliminating emissions from nearly 600,000 average US homes a year and saved 4 billion gallons of water, the equivalent to eliminating the annual water consumption in 80,000 US homes a year."

Taking advantage of its robust access to capital markets, Hannon Armstrong issued three corporate green bond transactions and cumulatively raised more than $1.1 billion of green bond debt and equity in 2020.

These environmental returns helped avoid 5.2 million metric tons of CO2 – the equivalent to eliminating emissions from nearly 600,000 average US homes a year

In April 2020, it issued a $400 million 6% coupon corporate unsecured bond at the height of Covid-19 market volatility when access to capital was scarce. In doing so, Hannon Armstrong was able to use liquidity to continue to fund climate positive projects without delaying critical development timelines.

In August 2020, Hannon Armstrong issued a $144 million 0% coupon convertible bond – a noteworthy accomplishment considering there have only been 14 such issuers since 2010, and second only to Microsoft as a dividend paying zero coupon issuer.

Prior to Hannon Armstrong's offering, the issuers of zero-coupon convertible bonds were technology, healthcare or consumer discretionary companies.

The company's success in pricing a zero-coupon convertible, despite being a dividend payer, is testament to the growing appreciation of capital markets to its mission of investing on the right side of climate change and its ability to sustainably grow its diverse portfolio of clean energy investments.

To this end, in 2020 Hannon Armstrong joined the Partnership for Carbon Accounting Financials (PCAF), a global industry-led partnership to facilitate a consistent and transparent approach to assess and disclose greenhouse gas (GHG) emissions associated with loans and investments in the financial services industry.

Hannon Armstrong continued to make highly impactful investments in a diverse array of clean energy portfolios and scored each for its effectiveness in reducing carbon emissions throughout the last financial year.

Each investment is evaluated based on its "CarbonCount", a proprietary scoring tool for evaluating investments in US-based renewable energy, energy efficiency, and climate resilience projects to determine the efficiency by which each dollar of invested capital reduces annual carbon dioxide equivalent (CO2e) emissions.

This first-of-its-kind methodology promotes transparency in project finance by creating a simple and comparable metric for infrastructure projects to be evaluated by the degree to which capital investment is mitigating climate change.

IJGlobal ESG Awards 2021

ESG Award – Social

Atlas Renewable Energy

Atlas Renewable Energy can take pride in the accolade it was "one of few entries to demonstrate true commitment to diversity" as a worthwhile winner in the social category

Atlas Renewable Energy was singled out for honours in the *IJGlobal* ESG Awards in the social infrastructure category for the amazing impact it has been making across its projects in Latin America.

The judges were blown away by the Atlas submission with one saying it was "one of few entries to demonstrate true commitment to diversity" and another describing it as a "really good demonstration of effectively closing the gender gap" lauding it as a "great role model".

On judge said: "Atlas is the most advanced in addressing gender issues, which also incorporates ethnic / race angles, while combining those with supporting clean energy with significant impact in emerging markets like Mexico and Brazil."

Another added: "Atlas's efforts to improve gender imbalance, and to promote an Afro-descendant workforce, go far further than the diversity initiatives typically touted."

This was joined by: "Atlas Renewable Energy has been absolutely committed to ensuring gender balance within the company and the communities it serves."

Maria Jose Cortes, head of ESG at Atlas Renewable Energy, said: "It's an honour to have our female workforce program We Are All Part of the Same Energy and its implementation in the Jacaranda Solar Project recognized by IJGlobal.

"Creating and implementing this programme has been an amazing experience for all of us at Atlas, it has helped us open a door to new opportunities for women in rural areas in Latin America and change paradigms.

"We are very proud of this, but we know there is still much to do in terms of diversity and inclusion. We hope this programme plants the seed for more inclusive practices in our industry and in the communities where we operate."

Raquel Azevedo, social innovation coordinator for Latin America, added: "Our project has great development potential not only for women, but also for the local economy in the countries in which we operate.

"In addition to generating economic and social autonomy, our goal is to set a more diverse and inclusive industry by sharing our experiences."

A champion for change

Atlas has long been viewed as a champion of the improving the gender balance in the energy space… which needs a lot of work. Research conducted by the International Renewable Energy Agency (IRENA) in 2019 revealed that women only represented 32% of full-time employees in the industry.

"At Atlas we have made it a priority to seriously tackle the gender gap within our industry," the company stated in its submission – and it's putting its money where its mouth is.

"As of July 2021, 40% of the company's employees at the corporate level are women, an increase from just 11% when the company was founded in 2017. Reasons for this success include innovative recruiting practices to avoid biases, a strong commitment to an inclusive culture, and designing employee benefits that go above and beyond local regulations to ensure that family responsibilities do not represent a structural barrier to employees."

María José Cortés

"It's an honour to have our female workforce program We Are All Part of the Same Energy and its implementation in the Jacaranda Solar Project recognized by IJGlobal."

Almost 300 women have been trained at Atlas' site under development in Mexico

Atlas now enhances female employees' careers by developing leadership skills in women

Atlas now enhances female employees' careers by developing leadership skills in women, having put in place a talent and mentoring programme to support personal and professional growth.

Building on this commitment, Atlas expanded its vision to the communities across all its projects under construction and has launched a global programme – We are all Part of the Same Energy – that will also be implemented on all projects going forward.

This initiative is designed to encourage the local female workforce within these communities, offering them training and technical skills development. The main goal is to give people who identify as females better access to more technical jobs within Atlas' solar plants construction sites or other projects developed in their local area.

At the same time, Atlas has mobilised local contractors to prioritise the female workforce in the hiring process, setting an initial target of 15% of the total workforce at each construction site. This compares to an average of only about 2%.

To the date of submission, Atlas had already sponsored the training of almost 700 women out of a targeted 1,000. The training programmes are developed based on the needs required at the solar construction sites under construction – including civil works, carpentry, module mounting and electricity.

As of the submission date, Atlas had 359 women from the local communities working on the construction of four solar plants – two in Brazil, one in Mexico and one in Chile. This represents 16% of the total local workforce hired to that date.

In the case of the sites under construction in Brazil, where the local communities have a large Afro-descendant population, it has also mobilised its contractors to increase the number from this demographic group in their hiring process. This initiative has accounted for 111 Afro-descendant women from a total of 172, and 838 Afro-descendant men from a total of 1,103 working in both Brazilian solar projects' construction.

Forecasts for the number of female and Afro-descendant employees are expected to rise as construction activities continue and new projects enter the construction phase. In addition to Brazil and Chile, almost 300 women have been trained at Atlas' site under development in Mexico, while the training programme has been extended to Minas Gerais in Brazil, where the company is developing two new solar projects.

Raquel Azevedo

"In addition to generating economic and social autonomy, our goal is to set a more diverse and inclusive industry by sharing our experiences."

The training programme has been extended to Minas Gerais in Brazil, where the company is developing two new solar projects

ESG Award – Social, Highly Commended **Quinbrook Infrastructure Partners**

The judges were not happy for Quinbrook to leave without recognition for its activity on the social side of ESG and so awarded it "highly commended"

It is rare during judging sessions run by *IJGlobal* that the independent panel calls for an additional award to be granted, but that's what happened with Quinbrook Infrastructure Partners being recognised for its work on human rights.

The judges – who were given the final say on all categories and allocation of awards – insisted that Quinbrook be singled out as "highly commended" for its submission, having impressed the judges for the role it has played on this highly-emotive issue.

During the virtual judging session, the panel celebrated Quinbrook's "comprehensive areas of action / expertise, with special compliments to the work performed in human rights".

They singled Quinbrook out as "a stellar example of how to take human rights and modern slavery seriously" alongside a "strong focus on practical ESG issues in infra procurement" with one adding "their human rights work stands out as being above and beyond the efforts seen elsewhere".

One judge adds: "Modern slavery issues tacked well and the Gemini project as an example of where they used their policy to screen the supply chain."

Quinbrook recognises the issue of modern slavery in the renewable energy supply chain, describing it in the submission as "endemic" – particularly related to labour and raw materials used in solar modules and batteries.

In its submission, the fund manager writes: "Quinbrook has dedicated significant time and effort into formulating policies and procedures to address these issues within our supply chain and guide organisations towards international best practices.

"Beyond policy and process, Quinbrook has sought to work directly with global suppliers to assess risks and engage upfront on key areas of issue or concern, supporting suppliers who have implemented change or are closely aligned with Quinbrook's policies and equally seeking to drive change, by working with suppliers who need to adjust their practices and who are working to implement direct transparency, provenance and control over their input materials – in some instances, right back to the silicon stages.

"We believe in holding open, direct and – at times – uncomfortable conversations as a way of not brushing over the issue nor covering it with policy, but instead as a means to open genuine communication and seek to implement change."

Over the course of the judging period, Quinbrook adopted a more detailed Human Rights Policy and Supplier Code of Conduct, that is now being implemented across all portfolio companies. This is supported by contractual requirements – such as factory audits, termination rights and requirement of evidence of provenance of inputs.

"We implemented training across the portfolio companies and investment teams, as well as key ESG team members undertaking external modern slavery training and working with specialists and supply chain auditors to assess and improve on our processes," the company states.

In its daily operations, Quinbrook – and its portfolio companies – seek to enter into contractual arrangements with suppliers that can comply with and promote the principles contained in its Human Rights Policy and Supplier Code of Conduct.

To accomplish this, it has instilled policies and procedures to undertake thorough due diligence into operations and supply chains, to identify and remediate actual or potential adverse human rights impacts, which it may inadvertently cause, contribute or be directly linked to.

In procurement processes, Quinbrook will communicate to potential key suppliers that it has a zero-tolerance policy with regards to slavery and will work with suppliers to assist them in their understanding of human rights and adoption of best practices to ensure respect for human rights.

Quinbrook states: "Through implementation of these policies and procedures, we aim to strengthen our commitment to: the highest ethical standards and behaviour; seek to identify and understand our connection to human rights risk; adopt strategies and processes to identify, mitigate and address human rights risks in our investment portfolios; proactively engage with our portfolio companies on issues related to human rights; take the risk of human rights impacts into account when making investment decisions, including divestment; and seek to use our leverage to influence decision-making in our investments to take into account human rights considerations."

It believes implementation of this initiative is an holistic effort that requires cooperation and integration from Quinbrook's senior management, its investment team, portfolio company management teams, and portfolio company procurement professionals.

To date, all parties have materially integrated application of these policies into procurement and investment decisions. While more repetition is needed to further ingrain best practices, positive results have already been achieved.

A good example of this strategy, Quinbrook's ESG team worked with the procurement team for the Gemini project – the largest solar and battery project in the US – to screen and assess all equipment suppliers for commitments and track record in human rights.

The team also used external reports available, such as Sheffield Hallan University's report In *Broad Daylight*, and Quinbrook guided and worked with investee procurement and contracting teams to demand increased levels of disclosure from suppliers, factory and provenance audit controls, and driving direct change in supply chains to avoid suppliers or products using reported forced labour of Ugyhur Muslim minorities from Xinjiang, seeking alternatives to cobalt in lithium-ion batteries by potentially changing technology to lithium ferrous phosphate batteries, or to work with companies seeking alternative sources of cobalt.

ESG Award – Governance **Caisse de dépôt et placement du Québec**

Separating out the three elements of ESG proves challenging when it comes to presenting awards, but CDPQ won over the panel with governance strategies enacted over the last year

Action taken by CDPQ during the judging period to analyse transactions and ensure they meet rigorous criteria win it the *IJGlobal* ESG Award for Governance.

The judges were particularly impressed by CDPQ's "emphasis on countering abusive tax structuring" and its "impressive approach to governance and behavioural risk" while saluting it for "showing leadership in governance" on a number of "very interesting initiatives".

One of the judges singled CDPQ out for praise for its "comprehensive strategy which is embedded in many lines of business/scopes of activities ranging from setting ambitious targets regarding its own operations and investments, industry advocacy for improved ESG disclosure and strong statements on divestments – for example, tobacco".

Another adds: "CDPQ's highly structured and extensive governance initiatives stood out compared to the competition. In particular, I was impressed by their efforts to counter abusive tax planning – an important topic that ordinarily does not get the attention it deserves from investors."

Yet another judge provides the ultimate accolade saying: "CDPQ has placed ESG at the heart of its governance and ensures that all potential ESG risks have been fully examined before investing."

The praise is rounded off by one judge saying: "Good efforts from the Canadians including CDPQ, just noting the Canadian pension plans still lack in diversity, and not only talking about gender diversity, but overall diversity of thought as well."

This accolade has been happily received by CDPQ, though they were sadly unable to attend the awards night.

Charles Emond, president and chief executive of CDPQ, said: "The pandemic highlighted the importance of strong governance. As a leading global investment group, this award is a testament to our constructive capital approach, driven both by a sustained dialogue on critical ESG matters and targeted efforts to pursue best-in-class practices across the companies that we invest in. And we do this to create stronger businesses and communities and lasting value for our clients."


Charles Emond


Kim Thomassin

Kim Thomassin, executive vice-president and head of investments in Québec and stewardship investing at CDPQ, added: "We are thrilled to be the recipients of the first *IJGlobal* ESG Award for Governance – an important subject and integral part of our 'stewardship investing' approach at CDPQ – and we extend our congratulations to all fellow award winners.

"By engaging proactively with our portfolio companies to develop their expertise across all ESG factors, including cybersecurity and abusive tax planning topics, we play an important leadership role that is underpinned by the belief that sound governance is a critical factor in generating value over the long term."

Submission

The CDPQ submission states: "Our belief is that sound corporate governance is a reflection of the solidity and durability of our portfolio companies. Transparency and resilience are fundamental for companies we invest in. Therefore, in 2020, our teams reviewed a set of factors when analyzing our transactions."

CDPQ carried this corporate governance policy across a range of factors when analysing transactions that range from board composition and effectiveness through to shareholding structure, executive compensation, tax practices, ethics and business practices, as well as risk management and cybersecurity.

In 2020, CDPQ conducted more than 355 ESG analyses, a key element in its investment strategy performing detailed reviews to map potential ESG risks it may be exposed to as an investor. The goal of this analysis is to apply the necessary measures to ensure that its own teams – as well as those of its portfolio companies – are able to assess risks appropriately and make optimal decisions.

CDPQ is hot on the cybersecurity front, paying close attention to efforts made by companies to address issues and assesses a company's resilience to this threat.

"Given that this could have a significant impact on business activities, we make this a priority issue in our discussions," according to the CDPQ submission. "In 2020, a number of cybersecurity risk analyses were conducted by our teams at all stages of the investment cycle, taking into account the following factors: governance, resources available, processes in place and cybersecurity technology."

However it was countering abusive tax planning that caught the attention of a good number of judges.

"In 2020, we took various actions regarding international taxation. Our investment process was refined to clarify the criteria used in assessing shares of public companies. These criteria have been incorporated into the investment process. As a result, investments must be subject to a consolidated tax rate of at least 15%, no matter where the investment is made."

Investing constructive capital to promote a greener transition.

Leveraging innovation and partnerships to go further and faster

$54 B

in green assets by 2025

60%

reduction in our portfolio's carbon intensity by 2030

ESG Award – Technology

Quinbrook

Quinbrook Infrastructure Partners impressed the independent panel of *IJGlobal* judges with the work it put in during the judging period to implement technologies across its managed portfolios that enable its shift to being a more ESG-compliant investor.

The fund manager was awarded the technology prize for what it describes in its submission as "directly supporting the focus of the upcoming COP26, investing in solutions that genuinely can drive climate, environmental and human impact solutions on a broader scale".

The judging team for the *IJGlobal* ESG Awards was impressed by the "pioneer approach" Quinbrook has taken towards "addressing artificial intelligence and blockchain" saying it has "placed technology at the heart of its investment strategy to enable the transition to clean energy".

The broad consensus was that Quinbrook "impresses with the breadth of its engagement in new technologies" while setting itself "the right goals to aim for".

One judge says: "Quinbrook provided several interesting and specific examples as to how they are using technology within their portfolio to facilitate the climate transition. We particularly admired how they are designing solar sites from a new, ecological perspective in order to reduce the negative impacts on local biodiversity."

Another judge adds: "Quinbrook submitted an impressively thoughtful submission in relation to their use of technology to address critical issues that have the ability to support and drive climate, environmental and human impact solutions. Their approach was the antithesis of those who still view it as sufficient to finance a few clean energy transactions."

"Technology-enabled solutions for grid synchronicity removing coal from the grid, AI-driven energy and grid control systems… these are innovative areas and enabling the shift to a low carbon energy system," rounds off another judge.

Quinbrook managing partner David Scaysbrook says: "Quinbrook has deep conviction that advanced capabilities in data science, analytics, artificial intelligence and blockchain, are just a few of the game changing technological breakthroughs that will create both winners and losers in the profound energy transition now underway.

"More importantly, rather than viewing these developments as threats, we have embraced them as opportunities to progress our capabilities as an investment manager of new and of course, very long term infrastructure investments that are seeking to rapidly decarbonize key industries, starting with power generation.

"This is not an easy thing to do, requiring some re-wiring of our thinking and processes and 'teaching some old dogs new tricks' in our firm… including our managing partners!

"Nevertheless, it is offering numerous revelations that we had not fully appreciated beforehand. We feel we have a long way still to go, but we have a better understanding and appreciation of where these technological drivers of fundamental change are likely to take us."

David Scaysbrook

"Quinbrook has deep conviction that advanced capabilities in data science, analytics, artificial intelligence and blockchain, are just a few of the game changing technological breakthroughs that will create both winners and losers in the profound energy transition now underway."

The award was accepted by Anne Foster, Quinbrook global head of ESG and Europe head for capital formation and investor engagement, Mark Burrows.

quinbrook infrastructure PARTNERS

Quinbrook's Commitment to ESG Recognized by IJ Global 2021 ESG Awards

Quinbrook Infrastructure Partners, a specialist investor in renewables, storage and grid support infrastructure, has been recognised by IJGlobal for its outstanding ESG contributions for best use of 'ESG Technology in Energy' and its Head of ESG acknowledged for 'Outstanding Contribution to ESG.'

Quinbrook's specialist focus on investments that build new assets and businesses that support a sustainable, just and accelerated transition to Net Zero provides the opportunity to protect and enhance the value of human, environmental and financial capital for its investors and broader society. Quinbrook is pleased to acknowledge this recognition by its industry peers and express the firm's gratitude to our global team and our investors.

Signatory of:

PRI Principles for Responsible Investment

quinbrook.com

Quinbrook is not a paid subscriber to IJGlobal nor did it pay as a condition of eligibility. The awards are not indicative of future performance. IJGlobal awards are made based on nominations by market participants, including Quinbrook, and assessed by a panel of 14 independent judges comprising financial market professionals, academics and independent experts. Quinbrook was the only firm designated as recipient of the 'ESG Technology in Energy ' award among a group of 5 investors considered by IJGlobal's expert panel in this category. Quinbrook was among 6 candidates considered for the IJGlobal Individual Award for Outstanding Contribution to ESG.

After a glass or two of Champagne (they lied), guests filed down to the auditorium for a sumptuous meal (they did not lie) followed by presentations to those who were on hand and (grinding teeth) announcing the ones that would be posted to the winners.

IJGlobal ESG Awards 2021

Deal of the Year Winners

- ESG Infrastructure Deal of the Year – **Project Blaise, Zenobe Energy**
- ESG Transport Deal of the Year – **CNG Foresight**
- ESG Social Infrastructure Deal of the Year – **Prince George's School Bundle P3**
- ESG Climate Transition Award – **Mitsui & Co**
- ESG Energy Deal of the Year – Europe – **Northvolt Ett**
- ESG Energy Deal of the Year – Americas – **Jacarandá Solar Plant**
- ESG Energy Deal of the Year – APAC & Africa – **Development Bank of Southern Africa**

ESG Infrastructure Deal of the Year

Project Blaise – Zenobē Energy

Zenobē Energy and its £150 million fundraise to drive the clean energy transition across the transport sector in the UK won the *IJGlobal* ESG Infrastructure Deal of the Year

The independent panel of judges for the *IJGlobal* ESG Awards singled out Project Blaise – Zenobē Energy – as the winner for the Infrastructure Deal of the Year, celebrating the transaction's achievements on a number of levels.

Project Blaise saw Zenobē Energy close its landmark £150 million ($204.5m) equity raise from Infracapital, allowing Zenobē to accelerate investment into battery storage and much-needed fleet electrification, in line with its purpose to enable business transition to clean power and transport systems.

The judges lauded the sponsor as having an "ESG track record and sustainability strategy" while the project was deemed "a great example of how to align opportunity, strategy, and technical capability" and that it "ticks lots of boxes" as an infra equity raise for a large fleet of electrified buses.

Meanwhile one judge noted its success at having "achieved carbon neutral status in 2019" which was deemed "a very real achievement and deserves to be recognised".

One judge lays out what the project will achieve: "Zenobē Energy's landmark £150 million equity raise from Infracapital, allowing Zenobē to further accelerate investment into battery storage and much-needed fleet electrification, in line with its purpose to enable businesses' transition to clean power and transport systems."

Opinion in the (virtual) room was positive towards Project Blaise with one judge saying: "This is an innovative energy and urban transition deal, still unproven as an infrastructure asset class but one where brave steps like these are essential for progress to be achieved in the decarbonisation pathway."

Zenobē is to accelerate investment into battery storage and much-needed fleet electrification

Pictured receiving the award are Nicholas Beatty founder of Zenobe Energy and its corporate finance director Tim Boothman

A judge who was very much in favour of the project says: “Project Blaise is providing battery solutions that enable transport systems to clean up their emissions to the benefit of the environments in which they operate. The project also encourages the use of second-life batteries, so further extracting long-term environmental benefits.”

One judge who was conflicted over which deal to choose says: “I put Blaise and Sydney Airport at the same level, but decided to vote Blaise as first for infrastructure and Sydney Airport as first for transportation.

“I found Blaise very interesting due to the fact it was an equity raise – most examples are debt – with environmental and social benefits related to electrification, circular economy, and public transportation.”

Project Blaise

Zenobē Energy, the UK-headquartered provider of renewable energy solutions based upon the deployment of batteries, software and financing solutions, receives the *IJGlobal* ESG award for its £150 million equity capital raise from Infracapital that completed in November 2020.

The finance raised by the company has accelerated its growth enabling it to expand its portfolio of stationary grid scale batteries from 75MWh with a further 100MWh in-build and to add to the number of electric buses that it supports through providing charging infrastructure and finance for the battery on the buses and their chassis to over 380 buses under contract.

The development of Zenobē’s business drives the acceleration of the uptake of electrical zero emission technology improving the performance of renewable generation and replaces diesel buses and their associated CO2, NOX and particulates with zero emission vehicles.

Nicholas Beatty, a founder director of Zenobē Energy, said: “We are delighted to have won this prestigious *IJGlobal* ESG Award – infra deal of the year.

“ESG is core to our business through the application of large batteries to enable the expansion of the supply of energy sourced from renewable sources. We also reduce CO2, Nitrous Oxide and particulates by supporting bus and fleet operators as they adopt zero emission vehicles.

“We are pleased to see that *IJGlobal* has recognised the importance of ESG and instituted this award. This recognition should ensure that the amount and quality of ESG is a core part of judging the value of any deal.”

James Pincus, partner at PwC’s corporate finance team who worked on the fundraise, said: “We are pleased to have advised Zenobē on this transformational transaction and delighted that the deal has been recognised by *IJGlobal*’s distinguished and prestigious award.

“It is fantastic to see this acknowledgement of Zenobē’s outstanding commitment to providing effective decarbonisation solutions and to making transformative contributions to our economy, our communities and our environment.

“We are proud to have been part of Zenobē’s inspiring growth journey, having worked with the team through several landmark transactions – breaking new ground in the sector, fuelling the company’s growth and delivering significant and sustainable value to all of its stakeholders as well as wider society.”

James Pincus

"We are pleased to have advised Zenobē on this transformational transaction and delighted that the deal has been recognised by IJGlobal’s distinguished and prestigious award."

The development of Zenobē’s business drives the acceleration of improving the performance of renewable generation and replaces diesel buses and their associated CO2, NOX and particulates with zero emission vehicles

ESG Transport Deal of the Year

CNG Foresight

The *IJGlobal* ESG Transport Deal of the Year was won by a transformative transaction that sees widespread adoption of biomethane fuelling infrastructure for trucks across the UK

Unlike other awards that *IJGlobal* presents, the ESG Awards can recognise activity that will have a long-term impact on the wider infrastructure market and celebrate developments that the independent panel of judges believe turn the dial.

This is very much the case for the winner of the ***IJGlobal*** ESG Transport Deal of the Year as it goes to CNG Foresight Ltd and its ambition to build a UK-wide network of public access biomethane refuelling infrastructure.

In its submission, CNG Foresight stated that the addition to 4 operational stations, 3 additional stations located at major distribution hubs on the M1 (Northampton), M53 (Knowsley), M6 (Erdington) and M62 (Warrington) were being constructed or commissioned.

This increased availability of biomethane refuelling stations, according to CNG, make the fuel source financially and logistically possible for fleet operators to accelerate their adoption of Bio-CNG fuelled HGVs.

This is all the more important given that the transport sector remains a significant greenhouse gas emitter – responsible for 28% of all GHG emissions in the UK. At the time of writing, transport emissions are only 3% lower than they were in 1990.

Increased road traffic has largely offset improvements in vehicle fuel efficiency and Bio-CNG is deemed to be one of the least carbon intensive, and most cost-effective alternatives to diesel for heavy goods vehicles (HGV).

Bio-CNG is credited with being able to reduce GHG emissions by 80-85% while the shift from diesel to biomethane reduces particulate emissions enormously, and biomethane is also 35-40% cheaper than diesel.

One of the judges admired an "ambition to build a nationwide network of public access biomethane refuelling infrastructure in the UK" with another saluting an "innovative project – bio-CNG and a good alternative to EVs especially for the HGV category".

Another judge pointed to the pathfinder element this deal played in highlighting the "role of biofuels in energy transition" as it "decarbonises the HGV sector which is a much more difficult segment of the transport sector to decarbonise using EVs".

The award was accepted by (left to right) Foresight Group investment director Muxin Ma, CGN Group co-founder and chief executive Philip Fjeld, and Foresight partner Chris Tanner

"CNG Foresight is an innovative and potentially transformative project that will significantly reduce transport emissions. Through its biomethane refuelling stations, it will allow freight companies to use cleaner lorries to transport their goods," said one of the judges at the ESG Judgment Day.

Through its network of refuelling stations, CNG Foresight supplies 100% biomethane certified transport fuel made from a waste feedstock, approved under the Renewable Transport Fuel Obligation (RTFO), and generates Renewable Transport Fuel Certificates (RTFC).

Currently, all fuel sold by CNG Foresight is biomethane certified through the RTFO.

Working with national and regional fleet operators, CNG Foresight has facilitated the replacement of more than 500 diesel HGVs with Bio-CNG fuelled vehicles. This has delivered significant cost savings and it has resulted in a significant reduction in carbon, air and noise emissions.

This project forms part of a wider strategy to tackle the carbon intensity of the transport sector and is fully aligned with the UK's 2050 net-zero target.

Innovating the transport sector

CNG Foresight has committed to supplying 100% biomethane-certified fuel to its customers. This is inherently less CO2 intensive than the diesel alternative, produces fewer particulate emissions, and is significantly cheaper for HGV owners.

The submission sates: "In the future there may be greener options for HGVs – electric or hydrogen vehicles perhaps – but there is no 'greener' alternative fuel source that can be applied to the HGV market in the foreseeable future. Enabling the HGV sector to transition away from diesel in the early 2020s is a significant environmental benefit. The transition is expected to happen far faster than that to electric cars."

According to DNG, this transaction has been well received by the HGV industry: "The business had some large clients prior to this transaction in the form of household names such as Hermes and Waitrose.

"However, since the transaction closed in December 2020, the volume of biomethane-certified fuel dispensed across the network continues to increase on a monthly basis.

"Other major names such as Royal Mail have placed orders to move a significant portion of their existing diesel HGV fleet across to CNG HGV's that will utilise our stations.

"Foresight's investment has accelerated this transition by enabling HGV fleet owners to see that CNG Foresight Ltd has the capital to continue to build out the network rapidly."

ESG Social Infrastructure Deal of the Year **Prince George's Schools P3**

This is a rare social infrastructure deal in the US P3 market and a transaction that the judges on the *IJGlobal* ESG Awards believe warrants recognition for the role it plays.

The judges were won over by the submission for Prince George's County Education & Community Partners and the role they played on Prince George's School Bundle P3 in Maryland.

P3s have been established for some time in the US and have typically been used for transport projects but Prince George's County became the first district in the US to finance the construction of five new middle schools and one K-8 school through a P3. This is despite concerns that the project could encounter similar problems to a transport deal that was embroiled in legal turmoil in the state.

This community-based schools P3 includes social and environmental outcomes as part of the project.

The judges celebrated it as a "good and worthwhile project" and that the delivery team had taken an "imaginative approach to an under-loved and crucial part of social infrastructure", with one adding that "the team demonstrated great perseverance in closing this P3, which has combined financial innovation for that area, with social impact in the form of children's education".

One judge says: "This was the only project addressing the important issue of access to public education, together with innovative fundraising by combining public and private stakeholders."

Prince George's County became the first district in the US to finance the construction of five new middle schools and one K-8 school through a P3

The judge continued: "The intro to this submission rings all too familiar. We have frequently watched with dismay at the challenges of providing funding to US social infrastructure projects and the snail's pace at which this market develops. Against this challenging backdrop, Prince George's strikes an encouraging precedent of successfully delivering an elementary school P3 and I hope to see more like it."

While yet another adds: "Prince George's County Education and Community Partners has transformed the outlook for young people in the county as they will be able to access education facilities without the acute overcrowding that they currently suffer."

The private partner will also be working with district and community partners to create 3,000 jobs. Another judge added: "The private partner has made it clear that this project is more than just about adding another P3 to the portfolio. It wants to ensure the benefits of the project extend beyond buildings, to include scholarships, apprenticeships and community businesses."

Another concluded: "The project obviously met *IJGlobal*'s criteria as it will provide a positive benefit to the lives of young people across Prince George's County where the population is steadily growing and the aged schools suffer from overcrowding. The fact that 6 schools were able to be bundled is also truly innovative for the US market and enhances the ability of the project to impact a great number of lives."

Prince George's County Education and Community Partners has transformed the outlook for young people in the county

ESG Climate Transition Award

Mitsui & Co

Mitsui & Co wins the *IJGlobal* ESG Climate Transition Award for its strategy to drive developments in carbon capture and storage with a deal in Europe underlining its international strategy

Mitsui & Co and its investment in Storegga Geotechnologies and the role it is playing on the Acorn Project – a major carbon capture and storage (CCS) development in the UK – has won the IJGlobal ESG Award for climate transition.

However, it was primarily the role that Mitsui is playing in the advancement of CCS as a technology that won it this award.

The judges were full of praise for the project that is led by a wholly-owned subsidiary of Storegga – Pale Blue Dot Energy – with support from Macquarie with a 21.5% shareholding, and GIC with 15.4%.

Mitsui is being recognised for taking a 15.4% stake in Storegga Geotechnologies in anticipation of the role it will play in significantly reducing the UK's carbon footprint in support of the country's 2050 net-zero emissions target.

They pointed out that “CCS is an important option” identifying it as “an evolving sector” and that it was “great to see a transaction in this space” as well as lauding “commitment from Mitsui to CCS” in a “new and interesting sector”.

One judge celebrates the direction taken: “As part of the transaction, Mitsui and Storegga have entered into a collaboration agreement of working together to identify and further develop CCS opportunities in Europe and Asia Pacific. This is in line with their respective commitments to sustainable projects that reduce climate change risks.”

Another adds caution while tipping a cap: “Carbon storage is not fully proven commercially but as a concept is a necessary technology in order to address the net zero planet targets, which cannot be achieved solely based on traditional technologies. Therefore, it will be the success of these transactions, with leading investor groups, that will assist us to progress further on the ambitious carbon reduction targets.”

The vital role of carbon capture struck a chord: “CCS is a necessary piece of the jigsaw puzzle to achieve our 2050 climate ambitions. Investment into transactions and supporting companies active in this sector is commendable particularly as the technology solutions are still developing.”

The award was picked up on the behalf of Mitsui & Co by Quentin Robinson, senior associate at Ashurst who worked on the deal

Another celebrated a “true transitionary project” acknowledging that “emissions will inevitably be with us for some time to come” and that “CCS projects are an underdeveloped necessity”. The judge adds: “While FID is not scheduled until 2022, it is good to see progress towards this target.”

The praise is rounded off with: “The Mitsui Carbon Capture project is a major project that has the potential to transform the use of carbon capture and storage with all the climate benefits as carbon is locked away and so accelerate the transition to a climate friendly world. It can't come soon enough!”

The judges were unanimous in their admiration of Mitsui and its proactive approach to driving developments in this space saying “carbon storage is a key lever of decarbonization strategies” and celebrating a “combination of innovation with climate transition”.

Mitsui took a 15.4% share in Storegga which is developing the Acorn Project to inject and store CO2 emissions in depleted North Sea oil and gas reservoirs and reform natural gas into clean burning hydrogen. It is also collaborating on commercialising direct air capture technology – capturing CO2 directly out of the air.

As part of the transaction, Mitsui and Storegga have entered into a collaboration agreement to work together to identify and develop CCS opportunities across Europe and Asia Pacific. This is in line with their respective commitments to sustainable projects that reduce climate change risks.

Storegga is a leading name in the development of carbon capture and storage and hydrogen production. Investment in carbon reduction projects like the Acorn project will help create a more diversified global energy infrastructure network. This strategically important investment highlights Mitsui's commitment to sustainable projects that reduce climate change risks to drive net zero achievements.

Ashurst advised Mitsui on the negotiation of the new shareholder arrangements and the articles of association for Storegga, antitrust and UK National Security and investment issues. The firm also conducted legal due diligence.

It was for this reason that Ashurst senior associate Quentin Robinson picked up the award on Mitsui’s behalf at the awards night.

The Ashurst team was led by partner Michael Burns and assisted by Quentin, associate Lester Lim Kok and trainee solicitor Michael Choi. The antitrust and UK NSI workstream was led by Steven Vaz and assisted by associates Hayden Dunnett and Antoine Accarain. Stronachs advised on Scottish law aspects.

Ashurst partner Tracy Whiriskey, client relationship partner for Mitsui was key to winning the mandate for the firm, using her Tokyo links to facilitate landing the transaction.

European ESG Energy Deal of the Year **Northvolt**

A project that has already won a slew of awards – even from *IJGlobal* – the impact of this gigafactory on the European market was deemed so great, it was a sure-fire winner

European ESG Energy Deal of the Year was won by Northvolt that was established in 2017 with the plan to future develop the world's greenest battery cell and establish a European supply of batteries to serve the regional market.

This award recognises the £3 billion financing two gigafactories for lithium-ion battery cell production – Northvolt Ett in Skellefteå, Sweden, and Northvolt Zwei in Salzgitter, Germany.

The Skellefteå plant is one of Sweden's biggest industrial projects in decades and is Europe's biggest lithium-ion battery plant. The plant initially will provide 16GWh of cell manufacturing capacity and will eventually reach a capacity of at least 32GW with expansion plans and eventual recycling facilities under development to address the full life cycle of electric vehicle batteries.

Once built, Northvolt will source its power from nearby hydroelectric facilities – ensuring all its power is from renewable sources – and it is committed to recycling the batteries it manufactures when they have come to the end of their useful life.

The project was originally conceived by ex-TESLA executives to form a key part of the European drive towards environmental sustainability and to aid Europe in becoming self-sustaining in its production of batteries for electric vehicles, a key component in energy transition and in assisting governments in their decarbonisation targets.

This is a first-of-its-kind project with two anchor sponsors – Goldman Sachs and Volkswagen – with a number of major European vehicle manufacturers including BMW, Audi and Scania as offtakers for the project's car battery cells.

It was the first project financing for a greenfield lithium-ion battery manufacturing plant project and was always going to be a contender to win this award, though it did have to see off some lively contenders:

- CDPQ's Velto Renewables – entering the southern European renewables market with ambitious plans afoot
- Fécamp Offshore Wind Farm – a market defining transaction in France
- San Serván green loan – the first climate bond certified green transaction in Spain

Northvolt will supply batteries for a wide selection of end markets that range from electric vehicles through to energy storage systems, portable and industrial applications. In essence, it feeds into Europe's ambitions to enable some of the most exciting projects on the agenda.

Its customers need large volumes of high-quality batteries with a low CO2 footprint, and these gigafactories are a solution to the challenge Europe faces to build a fully regionalised value chain. The judges were impressed by Northvolt, describing it "as unique project in a sector that lends itself to ESG", celebrating it as "a large and essential project that will further support the move to decarbonising the car industry".

"This is a potentially ground-breaking project in the European energy transition industry, and while unproven still – as an investment – I hope it will be successful in the long run, and therefore attract more capital to such projects," said another judge.

And the praise kept rolling in: "This project is the first of its kind, a pure play activity, and it was structured in line with best market practices involving multi-stakeholder collaboration and supporting energy transition… not to mention the large scale and the innovative technology. It stands out from the rest and it is the clear winner in my view."

The judging comments were rounded off with: "Northvolt stood out as being truly innovative and, given its scale, genuinely game changing. As with Project Blaise, the development and then recycling of EV batteries is clearly beneficial, but it is the plant's location – allowing it to source power from hydroelectric facilities and stimulate the regeneration of industrial Sweden – that sets it apart."

This award recognises the £3 billion financing two gigafactories for lithium-ion battery cell production – Northvolt Ett in Skellefteå, Sweden, and Northvolt Zwei in Salzgitter, Germany

ESG Energy Deal of the Year – Americas
Jacaranda Solar Project – Atlas Renewable Energy

Atlas Renewable Energy was a hit with the judges who were deeply impressed by the social impact achieved on Jacarandá Solar Project in Brazil combined with its wider programme to improve diversity

Few submissions for the *IJGlobal* ESG Awards 2021 struck a chord with the judging panel quite to the extent of Jacarandá Solar Project in Brazil – a project led by Atlas Renewable Energy.

The Jacarandá PV plant in Juazeiro, the State of Bahía, is expected to supply more than 440GWh per year that will mostly be used to serve American material science multinational company Dow under a 15-year contract, for which the offtake started in the first half of 2021.

It has an installed capacity of 187MWp with more than 450,000 modules, generating enough energy to supply a sizable part of Dow's Aratu Site's energy needs.

According to the average consumption of a Brazilian family, the amount of energy generated will be equivalent to supply enough power to a city of 750,000 inhabitants. Further, the plant will avoid around 35,000 metric tons of CO2 emissions per year based on the GHG Protocol (greenhouse gases) methodology developed by the World Resources Institute which follows the methods used by the IPCC (Intergovernmental Panel on Climate Change).

But it was the social elements that won over the judging panel with one judge describing it as "a very interesting initiative" and another saying it was "a fantastic example of placing diversity in the workforce at the centre of a company's policies".

Judges were wowed by the submission with one saying that it demonstrated "the 'S' in ESG is equally important" as well as providing a "combination of environmental and social aspects in an emerging market" and a "compelling approach to gender diversity".

One judge said: "Atlas Renewable Energy is not just another renewable energy company. Its development of projects throughout Latin America already sets it apart, but it is its social initiatives that drive recruitment from local communities and – in particular – target women and Afro descendants to fill its workforce that make it a worthy winner."

Another adds: "The combination of environmental and social aspects in one initiative in an emerging market is outstanding. Gender issues are among the most important in the social agenda in Brazil, noting that the project location deals with significant gender imbalance both in terms of representation and pay equality. The fact that this adds to a renewable energy project confirms the very impactful nature of the project… the clear winner in my view."

"Atlas Renewable Energy is playing a vital role in Latin America developing renewable energy projects. Of particular note is its inclusive culture during construction which has long-term benefits to the local communities," adds another judge.

María José Cortés, head of ESG at Atlas Renewable Energy, said: "It's an honour to have our female workforce programme 'We Are All Part of the Same Energy' and its implementation in the Jacaranda Solar Project recognised by *IJGlobal*.

"Creating and implementing this programme has been an amazing experience for all of us at Atlas, it has helped us open a door to new opportunities for women in rural areas in Latin America and change paradigms.

"We are very proud of this, but we know there is still much to do in terms of D&I. We hope this programme plants the seed for more inclusive practices in our industry and in the communities where we operate."

Jacarandá Solar Project

Atlas Renewable Energy won the ESG award based on its deployment of its 'We Are All Part of the Same Energy' programme on the Jacarandá PV plant – building on a programme it has been championing in Brazil, Chile and Mexico.

The programme aims to upskill the local female workforce with training that will grant them access to opt for more technical jobs within the construction of the projects. At the same time, Atlas mobilises its contractors to prioritise the trainees in their hiring process.

Atlas Renewable Energy targets women and Afro descendants to fill its workforce

This initiative has become Atlas' flagship social programme and it is fully aligned with the UN's Sustainable Development Goals:

- 5 – gender equality
- 8 – decent work and economic growth
- 10 – reduce inequalities
- 12 – responsible consumption and production

To date, nearly 1,000 women have been trained in different fields, such as civil construction, carpentry, health and safety, module mounting, electricity, among others. This has allowed Atlas to increase female participation in the construction of projects from a typical 2% to a 15%. We Are All Part of the Same Energy is expected to be implemented in the company's new upcoming projects so that more women can benefit from training and find new career pathways.

More than 214 women were trained in technical skills over the course of the delivery of Jacarandá. Of the women who were trained, 123 were hired to help with the construction of this Brazilian PV plant.

In total, 159 women were hired, representing 17% of the total hired labour in Jacaranda during peak construction work.

The project also focused on hiring under-represented groups such as the afro descendant population in the state of Bahia, which formed most of the total workforce – 85% afro-descendant men and 83% afro-descendant women.

ESG Energy Deal of the Year – APAC & Africa – **Development Bank of Southern Africa**

Our judges identified the Development Bank of Southern Africa (DBSA) as the winner of the Sub-Saharan Africa category, recognising the DFI for its issuance of its first ever €200 million green bond to target climate mitigation, adaptation, or indeed both.

Due to the spread of submissions and their nature, the independent panel of judges for *IJGlobal* ESG Awards 2021 elected to create a category to recognise developments across the Asia Pacific region together with Africa.

After some deliberation, the judges have identified the Development Bank of Southern Africa (DBSA) as the winner for the developing but exciting region, recognising it for the key role it played in the February (2021) issuance of a €200 million green bond to target climate mitigation, adaptation, or both.

The green bond – DBSA's first ever – was issued through a private placement with French development finance institution Agence Française de Développement (AFD) and was structured in alignment with the DBSA's Green Bond Framework which reiterates the lender's commitment to playing a role in the transition to a low carbon economy. The framework is aligned with the International Capital Market Association (ICMA) Green Bond Principles.

Furthermore, both the DBSA and the AFD are members of the International Development Finance Club (IDFC), a club of DFIs – national, regional, and international – from around the world. These members work together on the United Nations Sustainable Development Goals (SDGs) and the precepts of the Paris Agreement – it was through this IDFC network that both DBSA and the AFD came together on the €200 million bond.

The bond – also the first time a South African issuer has issued bonds in Euroclear France – are governed by French law.

The proceeds of the issue of the bond are being applied to projects that contribute to climate mitigation and/or adaptation, that are aligned to the South Africa's National Development Plan's (NDP) objective of an "environmentally sustainable and equitable transition to a low carbon economy" and that are also aligned with the UN SDGs and with the IDFC's own methodologies for mitigation and adaptation.

In particular, eligible projects will include projects in solar energy, wind power and water management. Ever since the February bond issuance, the South African government kicked bid window 5 of its Renewable Energy Independent Power Producer Procurement Programme (REI4P), for which winners are expected to be named before the end of October (2021), according to energy minister Gwede Mantashe. DBSA has supported the project financing of previous REI4P rounds.

One judge pointed to "lots of firsts in this transaction", adding that it was "difficult not to applaud the channelling of such extensive investment into affordable and clean energy in South Africa". One of the same mind added: "It is right and proper that development banks take the lead in ESG and set an example for others to follow."

Another judge pointed out that this transaction warranted the "sustainable finance label" and was a first of its kind, addressing environmental and social issues. The judge added it was a "very impactful contribution to emerging market economies" and that "the active involvement of two African financial institutions" put them ahead of other submission "thanks to wider reach and impact".

Yet another says: "The bonds have been structured in alignment with the DBSA's recently released Green Bond Framework which reiterates the DBSA's commitment to playing a role in the just transition to a low carbon economy; this is the first green bond issuance by DBSA and the first time a South African issuer issues bonds in Euroclear France."

Africa will unfortunately be hit hard as temperatures increase

"Lots of firsts in this transaction, it was difficult not to applaud the channelling of such extensive investment into affordable and clean energy in South Africa."

Finally, the judging comments were rounded off by: "The recent green bonds framework is adding requirements to projects that provide a good steer towards an evolving planet temperature. Africa will unfortunately be hit hard as temperatures increase and it's not only about renewables for power, we all need to invest in climate mitigation and adaptation measures as required in this bond framework."

Southeast Asia's innovation gauntlet

A look inside ADB's Energy Transition Mechanism

As investors eagerly look to accelerate an energy transition in Southeast Asia, *IJGlobal* reporter **Civi Yap** looks into ADB's proposed funding vehicle for the early retirement of coal-fired instead of immediately shutting them down

Future project finance participants will remember 2021 as the year when Southeast Asia threw down the innovation gauntlet.

In September, Singapore sovereign wealth fund Temasek teamed up with HSBC, Asian Development Bank (ADB) and Clifford Capital Holdings to establish a debt financing platform for sustainable infrastructure projects in Asia, with an initial focus on Southeast Asia.

ADB recently selected a team of advisers to conduct feasibility studies on the Energy Transition Mechanism (ETM) – a funding vehicle to phase out coal while scaling up renewables in Southeast Asia.

IJGlobal shares insights from project insiders and a Prudential chairman who is an outspoken proponent of the coal retirement mechanism.

Materialising coal-exit in Southeast Asia

Southeast Asia's renewable-energy market has significantly grown in the last 3 years.

However, it remains heavily dependent on coal-fired and other fossil fuel-powered generation plants. Strategic and financial investors have begun looking for feasible financing strategies to accelerate the energy transition in the region.

Market players grew excited about the coal-retirement-mechanism concept, which grew in popularity when Prudential Asia's non-executive chairman Donald Kanak outlined the notion during the World Economic Forum's Davos 2018.

"The world cannot reach the Paris climate targets unless we accelerate the retirement of coal-fired power stations and replace them with renewable energy. This is particularly true in Asia where existing coal-fired power stations are young and numerous and set to operate for decades without action," Kanak told *IJGlobal*.

ETM is a proposed funding vehicle to purchase or contractually take over coal power or other fossil fuel-based generation assets while supporting the scale-up of renewable energy in Southeast Asia. The ETM consists of 2 facilities:

- coal-retirement facility – support phase-out of coal plants
- clean energy financing facility – support financing of renewable energy projects

The 2-year advisory contract has a $1.5 million budget, in which ADB in May (2021) launched the tender by inviting bidders to express interest.

Donald Kanak

"The world cannot reach the Paris climate targets unless we accelerate the retirement of coal-fired power stations and replace them with renewable energy."

The advisory team comprises:

- KPMG
- Mott MacDonald
- Pinsent Masons
- The scope of the study includes:
- ETM implementation rules and procedures
- assess eligible assets for acquisition
- examine impacts of early coal retirement

Hatching a feasible precedent

ETM envisions taking a middle path in the debate of how to most effectively reach Paris climate targets. It aims to reduce coal-fired assets life rather than shutting off the power plant immediately. For instance, the mechanism will acquire coal-fired assets with 20 years left on their concessions and run them for only 10 years.

The mechanism will have to provide a new debt package with a shorter tenor to replace the existing loan facilities. The debt could be in the form of concessional loans, grants from philanthropies, or other debt instruments.

"We might even look for some grant to bring down the debt tenor even more," a source involved with the project told *IJGlobal*.

"Green funds set up by developed countries to help developing countries address climate change could also be the funding sources. These funds, whose primary objective is to reduce carbon emission, are like grant money with no direct requirements for return on investment," another project insider told *IJGlobal*.

On the equity side, the mechanism will have to work with investors who are prepared to accept a lower return due to the shortened asset life. Assets owners could be a group of investors, fund managers, developers, or even existing owners.

"The existing asset owners might be willing to manage the plants for half the asset life if given with certain incentives," said a banker.

In August this year, ADB reportedly began talks with 4 financial institutions – BlackRock, Citigroup, HSBC, and Prudential – for a bankable financing structure. "There was no appointment of any investment or commercial banks on this assignment yet. But the idea was up in the air, which prompted interest from the private sector to join as advisers, lenders, or sustainable bond issuers," said once source.

An idea floated was that the group acquire the power plants under a PPP model. They would buy and operate the assets at a capital cost lower than is available to commercial plants. This structure would generate a comparable return with a higher margin during the plant's shortened life cycle.

Under this model, development banks might take the first loss as a junior debt holder with a lower return. "Multilaterals could provide guarantees, take the first loss, or provide concessional debt for the financing structure to work. It could also be a combination of all of that," added the banker.

ADB plans next month to propose a few pilot cases at COP26 in Glasgow. Targeted countries include Indonesia, Vietnam and the Philippines.

Prudential estimates that a country requires $1-$1.8 million per MW to retire up to 50% of its coal capacity. The total financing needed for the following markets are:

ADB Backs coal retirement. But coal lock-in is a barrier to reform

Source: IEEFA

- Indonesia – $16-29 billion
- Vietnam – $9-17 billion
- Philippines – $5-9 billion

"A lot of things will happen in parallel. First, we will have to negotiate with project owners to take over existing PPAs. At the same time, we will also have to get the offtakers to agree that the coal assets will only supply electricity with a shortened period. Meanwhile, regulators will have to start planning projects to replace the capacity," explained the adviser.

Encouraging a transparent platform

ETM highlights recurring issues in the energy sector's governance. Monopsonistic power markets encourage limited public disclosure on PPA conditions. Markets with state-owned utilities as the single buyer are also pockmarked by bilateral agreements rather than competitive prices in open markets.

"Lenders and investors will have to work on improving the transparency of PPAs to create a finance-driven strategy with incentives for early decommissioning high carbon emission assets," said Melissa Brown, director for energy policy studies in Asia at the Institute for Energy Economics and Financial Analysis (IEEFA).

Coal asset owners and utilities gain more credibility the more transparent their PPAs are. It also gives ETM participants, including donors and investors, confidence by providing clear indications that money invested is being channelled into the appropriate direction to accelerate carbon reduction.

ETM will have to convince local utilities to relinquish lucrative terms in their existing PPAs, signed when lenders and investors were eager to push through deals.

"Relying on PPAs negotiated behind closed doors with super-secret deals and opaque special conditions hurt power market development and undermined meaningful dialogue," added Brown, a former securities analyst at JP Morgan and Citigroup.

Besides, the concept also relies on an accurate and holistic evaluation of coal assets in the region. "It will be hard to value assets for the ETM correctly without a reverse auction. Government owners might not want to write down the asset values, while IPPs in more competitive markets with stranding risk are effectively distressed sellers who will mark down their assets," explained Brown.

"The key design challenge is to avoid channelling investors money into transactions that would subsidise coal assets designated for decommissioning instead of catalysing the energy market for transition," she added.

Price tagging on carbon reduction

The proposed mechanism can set the foundation for further initiatives and strategies on energy transition as it creditably helps to reduce carbon emissions. The price tag can further serve as a positive indicator towards financing strategies based on eliminating carbon gasses.

"Investors would be looking at the price to ascribe in their businesses book on how much carbon they have reduced by shortening the life-cycle of a coal asset. The carbon reduction per dollar of investment will become the negotiation process with the investors," said an adviser.

Carbon credits in the renewable market quantify carbon offsets or emission reduction based on the generation mix between renewables and conventional sources. ETM will generate questions about whether prematurely mothballing coal-fired power plants will count as carbon-reducing that is eligible for carbon credits.

Carbon reduction can develop into a set of guidelines for stakeholders in the energy sector when the region progresses into a more mature green financing landscape. "The regulators, lenders, and asset owners, all have aligned objectives," the adviser reiterated.

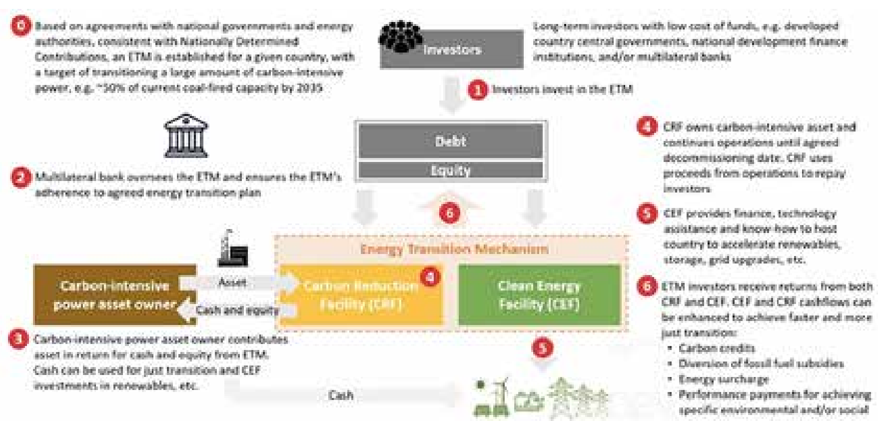
"Banks that have funded coal-fired power projects would be happy to exit the projects if they were to receive their capital in return. Power developers might also be happy to do so as coal assets run against the moratorium set by the government or net-zero commitment made by the companies," the project insider explained.

IEEFA's Brown added: "ADB's initiative represents the real sea change in redirecting capital to energy transition in Asia. The mechanism is one part of the effort by ADB to begin to price carbon, help their partners develop new financing strategies, and encourage their country partners in Asia to do the policy work." ■

Melissa Brown

"The key design challenge is to avoid channelling investors money into transactions that would subsidise coal assets designated for decommissioning instead of catalysing the energy market for transition."

Energy Transition Mechanism (ETM) **– a funding vehicle to phase out coal while scaling up renewables in Southeast Asia**



Source: Prudential

Europe

Tenders launched

Closed deal values by sector

Sector	Transaction count	Value ($m)
Mining	1	$3,766
Oil & Gas	15	$14,631
Power	10	$11,713
Renewables	156	$22,444
Social & Defence	21	$4,195
Telecoms	30	$22,706
Transport	8	$2,281
Water	5	$1,801

Projects with recent tender updates

1	Acquisition of 35% in A65 Autoroute de Gascogne Highway (150KM) PPP
2	Art Data Centres Clare County Data Centre PPP
3	Third Bosphorus Bridge Refinancing
4	Vresse-sur-Semois Prison PPP
5	Twin Peaks Wind Portfolio (242MW)
6	R4 West East Road Upgrade PPP
7	Dogger Bank Teesside A Offshore Wind Farm (1200MW)
8	Marsascala Marina Port PPP

Closed deals by country

	Transaction Country	Value ($m)	Count
1	**Italy**	15647	25
2	**Spain**	12244	45
3	**United Kingdom**	9781	47
4	**France**	7534	14
5	**Netherlands**	6409	18
6	**Germany**	5332	21
7	**Poland**	5145	19
8	**Russia**	3766	1
9	**Ireland**	3382	8
10	**Norway**	3373	4
11	**Luxembourg**	2737	1
12	**Turkey**	2600	3
13	**Switzerland**	2100	1
14	**Sweden**	1493	5
15	**Portugal**	569	6
16	**Finland**	399	10
17	**Bulgaria**	397	1
18	**Germany, Switzerland**	356	1
19	**Romania**	323	3
20	**Belgium**	255	1
21	**Denmark**	205	6
22	**Cyprus, Malta**	189	1
23	**Finland, Norway**	164	1

Transactions that reached financial close

- 2 June — RWE Green Bond (June 2021)
- 2 June — Codling Offshore Wind Farm (1500MW)
- 21 June — Steelanol Biofuel and Torero Biomass Plants PPP
- 25 June — GlobalConnect Refinancing 2021
- 1 July — Olefins III Petrochemical Complex
- 1 July — Acquisition of CK Hutchison's Italian Tower Portfolio
- 8 July — Fuente Palmera CSP Plant (49.9MW) Refinancing
- 25 Aug — Malmyzh Copper-Gold Porphyry Mine and Ore Processing Plant

D4 Motorway PPP
Czech Republic

The D4 motorway PPP in the Czech Republic is a pathfinder project which – in spite of initial setbacks – reached financial close in April (2021), paving way for similar infrastructure projects in the country. IJGlobal reporter **Maya Chavvakula** takes a look.

The €600 million ($709.1m) project involves the DBFOM of 32km of motorway and an O&M contract for an additional 16km stretch.

It is divided into 9 sections with 5 marked as greenfield developments and the remaining 4 brownfield.

Background
The Czech Republic's Ministry of Transport first introduced the D4 motorway project in 2016. The procurement process, however, did not progress well and was cancelled shortly after.

It was revived in 2018 and brought to market as the first transport infrastructure project PPP in the country.

The cost of the project was initially set at €250 million but was later stepped up to €600 million. It involves the construction of 32km of new motorway and widening and maintenance of 16km of existing road.

It is divided into 9 distinct sections:
- Skalka – Háje (brownfield)
- Háje – Milín (greenfield)
- Milín – Lety (greenfield)
- Lety – Cimelice (greenfield)
- Cimelice – Mirotice (greenfield)
- Mirotice, extension (greenfield)
- Mirotice – Trebkov (brownfield)
- Trebkov – Nová Hospoda (brownfield)
- Nová Hospoda – Krašovice (brownfield)

The PPP project involves a 3-year construction phase followed by a 25-year concession period ending 2048.

Procurement
The tender for the project attracted 4 bidding teams including:
- DIVia – Vinci and Meridiam
- Via 4 – south connection – PORR, Macquarie, OHL and Egis
- HO-ST South Bohemian Link – Hochtief and Strabag
- Acciona and John Laing with DIF Infrastructure V

The Acciona/JL/DIF team dropped out in 2019 dealing a major blow to the project, but the remaining 3 consortia were invited to submit BAFOs... at which time the Hochtief/Strabag consortium also bowed out.

The Czech ministry decided to continue with the procurement process with DIVia and Via 4 consortia.

A preferred bidder was expected to be announced in early 2020 but the deadline was pushed back to August the same year which was also missed.

The project was finally awarded to the Vinci/Meridiam JV on 7 December (2020), delaying the project by nearly a year.

Financial Close
The Vinci/Meridiam consortium, each

Karel Havlícek

"This is a price that is fixed for the entire duration of the project, but it cannot be considered definitive."

The Czech Republic's Ministry of Transport first introduced the D4 motorway project in 2016

of which has a 50% stake in the project company, took just over 4 months to arranged debt for the project.

The €600 million deal reached financial close on 29 April (2021) having secured €529 million in debt from a group of 7 commercial banks.

The debt was arranged across 4 tranches:

The €204 million tranche in Czech Koruna denominated debt was arranged with a floating rate and a tenor of 27-years and 5-months (maturing August 2048) was arranged by:
- Ceskoslovenská Obchodní Banka (CSOB)
- DZ Bank
- KfW-IPEX Bank
- Siemens Bank
- SMBC
- UniCredit

The €155 million Euro denominated tranche has a 27-year 5-month tenor (floating rate tranche, maturing September 2048) was arranged by:
- DZ Bank
- KfW-IPEX Bank
- NordLB
- Siemens Bank

The €119 million in Euro denominated debt with 27-year 5-month tenor (fixed rate, maturing September 2048) was arranged by:
- SMBC

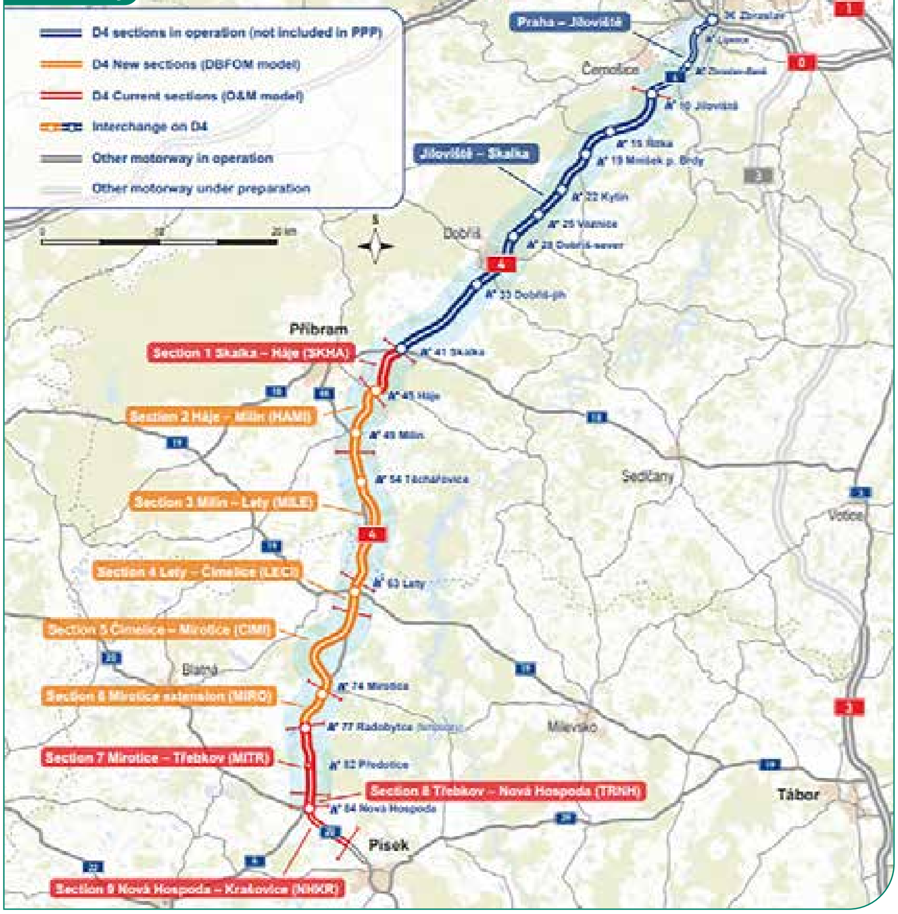
The €51 million equity bridge loan has a 5-year tenor (matures April 2026) and was arranged by:
- Ceskoslovenská Obchodní Banka (CSOB)
- DZ Bank
- SMBC
- UniCredit

The financing also includes a €5 million debt reserve facility and is believed to have been priced between Euribor + 180-190bp.

Commenting on the financing, the country's Minister of Transport Karel Havlícek said: "This is a price that is fixed for the entire duration of the project, but it cannot be considered definitive. As in the case of mortgages, the contract provides for the possibility of refinancing in the event of a favourable development of interest rates."

He continued: "The standard is usually refinancing after the completion of the construction phase, when project risks will decrease significantly, thanks to which significant savings can be achieved."

D4 Motorway



Closing remarks

Construction on the project started in May (2021) and is being carried out by Vinci subsidiary Eurovia.

The new motorway is expected to improve road connections between rural South Bohemia and Prague, easing traffic on major commercial routes, particularly towards neighbouring Germany and Austria.

This pathfinder project has also set sustainability goals with the sponsors opting to recycle and reuse 1.9 million m3 of excavated materials, as well as making a commitment to recycle up to 60% of the total volume of the asphalt mix.

Addressing the sponsors' approach, executive director of Vinci Concessions Christian Biegert said: "Our goal is to build and operate an innovative and sustainable highway. The new D4 motorway will guarantee motorists a high level of safety and comfort on the road and will improve traffic conditions and traffic flow, thus reducing the risk of traffic congestion and environmental pollution."

Advisers

Advisers to preferred bidder include:
- PwC – financial
- Clifford Chance – legal
- CMS – legal
- ESTER – hedging

The advisers to lenders include:
- Linklaters – legal
- Kinstellar – legal
- Infrata – technical

Advisers to the guarantor are:
- Erste Group – financial
- White & Case – legal
- Obermeyer Helika and Siebert & Talaš – legal

The Czech government's advisory team includes:
- Erste Bank – financial
- White & Case – legal
- Obermeyer – technical

Advisers to unsuccessful bidders

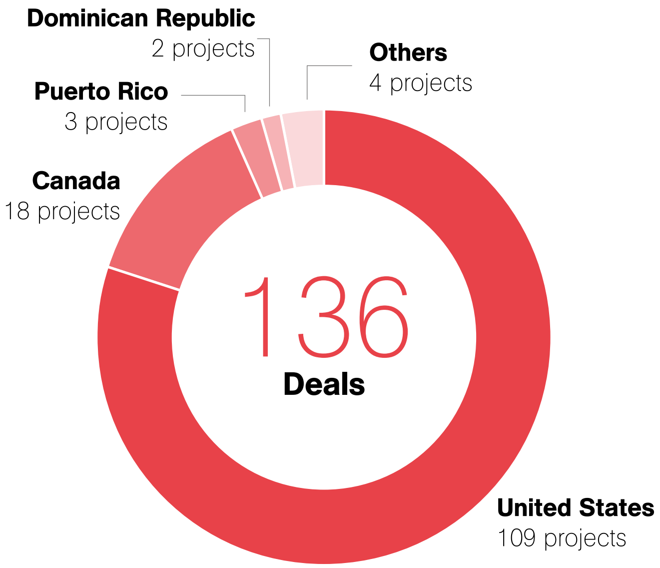
Hochtief and Strabag:
- Société Générale – financial
- Bryan Cave Leighton Paisner – legal
- Herbert Smith Freehills – legal

PORR, Macquarie Capital, OHL and Egis:
- Allen & Overy – legal

DIF, Acciona and John Laing were advised by:
- UniCredit – financial ■

North America

Tenders launched



Projects with recent tender updates

1	York University Markham Centre Campus Student Housing and Ancillary Services Building PPP
2	JFK International Airport New Terminal PPP
3	University of Nebraska Medical Centre (UNMC) District Energy System Expansion PPP
4	Dominican Republic 5G Network Rollout PPP
5	Calgary-Banff Railway (130KM) PPP
6	Acquisition of Avangrid's Nevada Solar PV Portfolio (600MW)
7	Commonwealth LNG Export Facility
8	Acquisition of Dakota Renewable Energy's Solar and Energy Storage Portfolio (3.2GW)

Closed deal values by sector

Oil & Gas
Transaction count **37**
$32,593 ($m)

Power
Transaction count **33**
$13,330 ($m)

Renewables
Transaction count **81**
$13,553 ($m)

Oil & Gas & Power
Transaction count **1**
$2,500 ($m)

Social & Defence
Transaction count **7**
$3,244 ($m)

Transport
Transaction count **8**
$3,939 ($m)

Mining
Transaction count **5**
$890 ($m)

Telecoms
Transaction count **14**
$20,56 ($m)

Closed deals by country

	Transaction Country	Value ($m)	Count
1	**United States**	74,467	163
2	**Canada**	19,538	23
3	**United States, Puerto Rico**	531	2
4	**Dominican Republic**	142	3

Transactions that reached financial close

- 7 June – Acquisition of Enwave Energy's Canadian Business
- 23 June – Acquisition of Shepherds Flat Wind Farm (845MW)
- 24 June – Travers Solar PV Plant (465MW)
- 28 June – Enbridge Sustainability Bonds 2021
- 29 June – Sabal Trail Pipeline (832KM) & Florida Southeast Connection Bond Facility 2021
- 21 July – Edwards & Sanborn Solar PV Plant (346MW) & Energy Storage (1,501-MWh) Phase I
- 23 July – Montreal-Trudeau International Airport REM Station
- 19 Aug – Acquisition of Astound Broadband

Cypress Creek Renewables, US

Sweden's EQT Infrastructure Partners emerged in July as the winning bidder for North Carolina-based solar developer Cypress Creek Renewables, following a competitive auction process. But to get to the point where it could clinch an attractive offer, Cypress had to go through a 3-year saga of restructurings, recapitalizations and refinancings. **Alfie Crooks** reports.

Established in 2014 as a solar development platform, Cypress would later transition to developing and owning energy storage assets, amassing a roughly 11GW development-stage portfolio and a 1.6GW operational platform spanning 25 US states.

But by late 2018, the company found itself evaluating strategic alternatives, including potential asset sales, as well as internally restructuring and shedding mid-level employees as it sought to rein in overheads and refocus on its core markets.

A number of pitfalls followed before it was able to ease its debt burdens in 2020 with a $200 million holdco financing and substantive mezzanine-to-equity conversion, making it palatable for prospective buyers in early 2021.

Portfolio sale

Cypress began in late 2018 evaluating options for its operating portfolio, mandating Barclays as financial adviser on the review. However, the sale proved to be a challenging one given the thin cash flows from Cypress's tightly-priced, highly-levered projects at the time.

Cypress eventually managed to offload a 580MW portfolio of development-stage assets in North Carolina, South Carolina and Texas to Cubico Sustainable Investments at the start of 2019. The 5-project acquisition marked London-headquartered Cubico's first US investment.

"Poor old Barclays," said a private equity fund manager who passed on the portfolio at the time. "They have more of a chance of finding cheap equity than some of the smaller developers out there, but Cypress took out most of the juice from the assets already."

With the dawn of the new year, Cypress also found itself facing an extensive internal restructuring, letting go of several senior and mid-level employees.

Market participants pointed to the company's aggressive bidding for PPAs as one of the drivers for the restructure, as well as high levels of debt at the project and corporate level, and Cypress's quarrels with utilities over the length of Public Utility Regulatory Policies Act contracts, as previously reported.

Leadership kerfuffle

By June 2019, the 3 co-founders of Cypress Creek Renewables – CEO Matt McGovern, president Michael Cohen and chair Ben Van de Bunt – had stepped down. Their departures were understood to have been coordinated by the company's mezzanine creditors, Temasek Holdings and HPS Investment Partners.

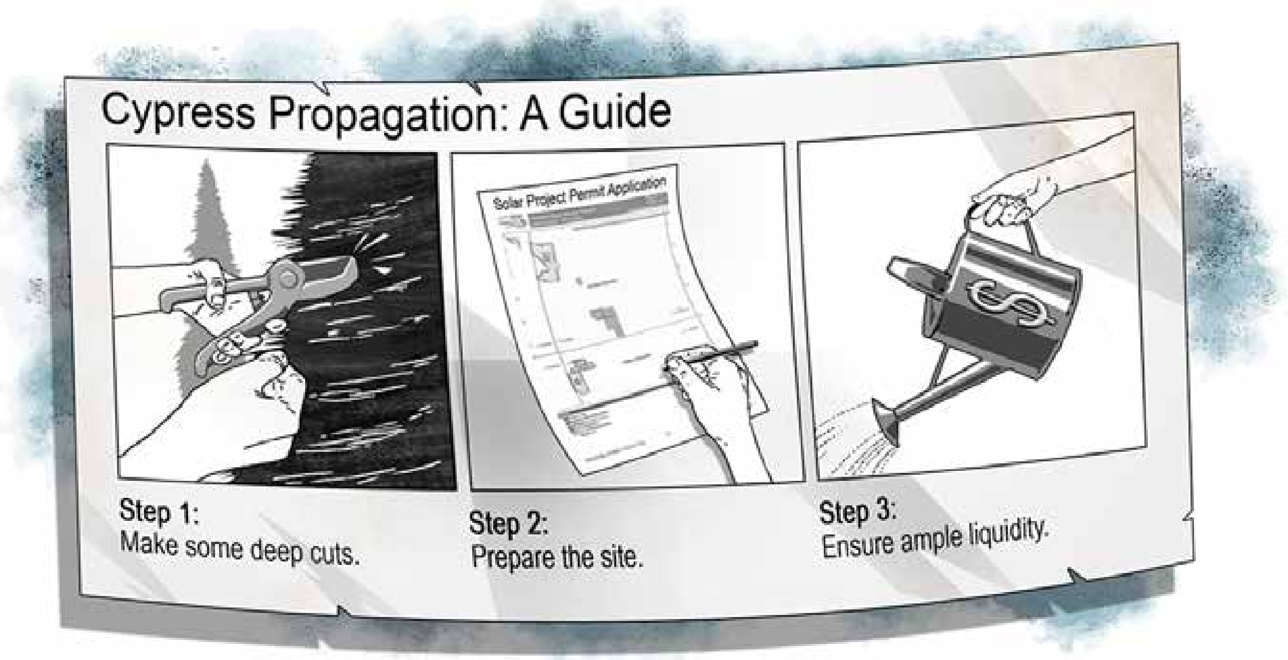
Cypress' board replaced the founders with 3 former partners of Point Reyes Energy Partners who had also worked together at AES Corp for more than a decade before that. The hires included Sarah Slusser as CEO, Rebecca Cranna as interim chief operating officer and Kim Oster as interim chief strategy officer.

That summer, Cypress started searching for additional advisers to help sell its 1.5GW operational solar portfolio. Meanwhile, Cypress began to wind down its EPC business.

Asset sales

In the meantime, Australian fund manager New Energy Solar entered into

Cypress would transition to developing and owning energy storage assets, amassing a roughly 11GW development-stage portfolio



exclusive talks with Cypress to acquire a 90MW(DC) portfolio through its US Solar Fund. However, when the transaction was inked at the end of 2019, the buyer revealed that it had decided to acquire a portfolio less than half that size, comprising 6 development-stage projects totaling 39MW(DC).

In the summer of 2020, Cypress again started pitching some of its North Carolina assets to potential investors. In October, Cypress decided that it would recapitalize a 92MW portfolio of solar assets in the state, buying out the tax equity investors and refinancing project debt with a roughly $45 million loan arranged by BNP Paribas.

This was the first tax equity buyout completed by Cypress, with the option of upsizing to $650 million to recapitalize additional tranches of its fleet.

Holdco financing

The financing would also set Cypress up to slot into place a $200 million 7-year holdco loan that was being arranged by Investec in the interim. It was important that the project-level refinancing closed before the holdco loan, so that the holdco lenders would be able to assess the overall capital structure of the company, a person close to the situation said at the time.

With the project-level refi out of the way, Investec launched the holdco raise for Cypress' 1.6GW operating portfolio shortly after Labor Day. The 2x oversubscribed financing closed on 30 October, with East West Bank, Silicon Valley Bank and Crédit Agricole joining Investec as joint lead arrangers on the deal.

Both the project-level recapitalization and the holdco financing are cited by deal watchers as being "pivotal" to the future sale of Cypress Creek.

Mezz swap

Around the same time, Cypress also managed to free itself of a significant portion of its expensive legacy debt. In September 2020, Temasek and HPS Investments agreed to exchange a significant portion of their investment for 100% of common equity in Cypress.

"This recapitalization of HPS and Temasek's original investment in the company significantly reduces our corporate debt and right-sizes our balance sheet, creating a sustainable capital structure that will enable our success for years to come," stated Slusser at the time.

A consortium led by Singaporean government-owned Temasek had provided the initial $450 million dual-tranche mezzanine financing in 2017. In 2018, it led another consortium to invest $200 million in preferred equity with warrants.

Auction ready

With the company now on steadier financial footing, Cypress mandated Morgan Stanley to conduct a strategic review at the start of this year.

The investment bank took first round bids in April, with second round bids following soon after. The sale attracted a range of potential buyers, including infrastructure funds and renewable energy companies.

Apart from EQT, the second round bidders were said to include:

- Macquarie Infrastructure and Real Assets
- Aker Solutions
- Amey
- Boralex
- Vistra Corp
- Capricorn Investment Group

Although RWE Renewables had also made it into the second round, the company decided to leave the process, a source close to the situation said at the time.

The bidders were encouraged by the recent influx of capital at Cypress, as well as the state of the US renewables market and the company's proven track record as a solar and energy storage developer.

In July, EQT struck the deal to purchase the renewables platform from funds managed by HPS and Temasek through its EQT Infrastructure V fund, which closed at €12.5 billion ($14.8 million) in March.

The sale marks EQT's first renewables platform acquisition in the US and is expected to close in the second half of 2021, subject to customary conditions and approvals.

The buyer was advised on the acquisition by Barclays, Cypress's former portfolio adviser. Simpson Thacher & Bartlett acted as legal counsel to EQT, while Kirkland & Ellis advised Cypress.

The investment will allow Cypress to continue to execute its development project pipeline, fleet optimization and expansion efforts as well as scaling its O&M services business. The company will also benefit from EQT's global adviser network and in-house digitalization and sustainability expertise.

While the valuation was not disclosed, it is understood that Cypress Creek is "very pleased" with the purchase price.

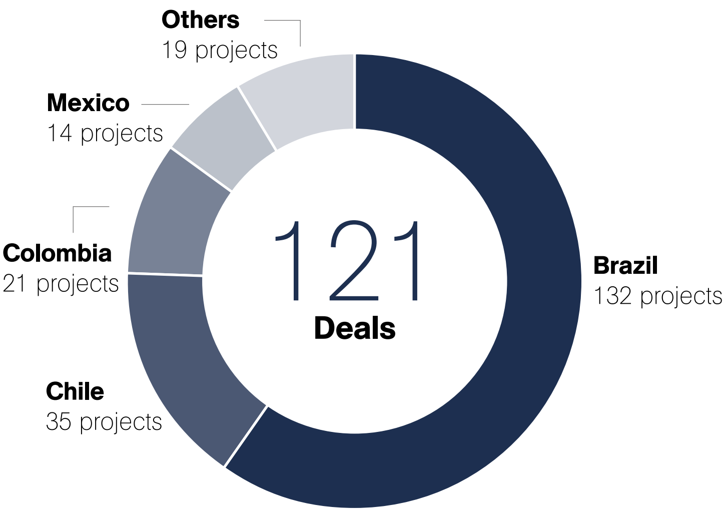
"Renewable platforms, particularly in the US, are red hot right now," says a senior official at a Los Angeles-based private equity firm. "Everyone wants a piece of these renewable energy developers."

Other such platforms that are up for grabs include Ares Management Corp's solar portfolio company Navisun. ■

Cypress decided that it would recapitalize a 92MW portfolio of solar assets in North Carolina

Latin America

Tenders launched



Projects with recent tender updates

1	Parana Highways Lot 6 Redevelopment (659KM) PPP
2	Viracopos International Airport PPP
3	Alto Piranhas Inland Region Water & Sanitation PPP
4	Tren Grau Railway (2920KM) PPP
5	Campinas Public Lighting PPP
6	Felipe Angeles International Airport
7	Trans-Panama Gateway Pipeline
8	Rio Grande do Sul Highways Block 1 (445KM) PPP

Closed deal values by sector

Sector	Transaction count	Value ($m)
Oil & Gas	12	$10,018
Power	17	$11,343
Renewables	33	$3,347
Social & Defence	4	$166
Telecoms	5	$1,248
Transport	22	$9,960
Water	1	$48
Mining	2	$540

Closed deals by country

	Transaction Country	Value ($m)	Count
1	**Brazil**	13,082	45
2	**Chile**	7,699	22
3	**Colombia**	6,242	9
4	**Panama**	3,872	4
5	**Mexico**	2,114	8
6	**Peru**	1,386	2
7	**Guyana**	1,350	2
8	**Costa Rica**	538	1
9	**Argentina**	331	2
10	**Paraguay**	130	1

Transactions that reached financial close

- **4 June** – Rio Magdalena 2 Highway (144KM) PPP
- **17 June** – EnfraGen's Chilean PMGD Solar PV Portfolio (175MW)
- **30 June** – Privatisation of 37.5% in BR Distribuidora
- **19 July** – Interchile Green Bond 2021
- **29 July** – Acquisition of 96.04% in Compania General de Electricidad (CGE)
- **20 Aug** – Privatisation of 51.41% in Interconexion Electrica (ISA)
- **20 Aug** – Mero 3 FPSO Additional Facility 2021
- **30 Aug** – Ventos do Piaui II and III Wind Farm Portfolio (409.2MW)

Los Guzmancito, Dominican Republic

As the Dominican Republic opens up for private investments in renewable projects under President Luis Abinader, local developer Grupo Energético 23 (GE23) managed this summer to wrangle debt financing for its first such asset in the country. **Carmen Arroyo Nieto** takes a look.

GE23, a group of family-owned businesses investing in the Dominican Republic, began working on financing the $258 million Los Guzmancito wind complex around 3 years ago.

The asset, which is located in the Puerto Plata province, is the group's first renewables project in a country that has relied heavily on fossil fuel-fired assets.

In June, the sponsor clinched a multi-tranche, multi-currency denominated debt package from a club of lenders for the 98.3MW wind farm, which has both contracted and merchant revenue streams, and started building it soon after.

"This is the first wind project that's broken ground under the Abinader government," said Jason Segal, managing partner at Javelin Capital, who advised GE23 on the deal.

The deal reached financial close as the Dominican Republic pivots to policies favouring renewable generation and away from a reliance on fossil fuel-based assets. The shift is led by President Abinader, who was elected to office in August of 2020, and has pledged to favour private investments in renewable energy.

The financing

The sponsor developed the asset through its subsidiary, Poseidón Energía Renovable, and later reached out to boutique investment bank Javelin Capital to slot debt financing into place.

The project is split into two portions, namely the 48.3MW Guzmancito I and 50MW Guzmancito II phases. GE23 owns most of the complex's equity, while French infrastructure fund STOA later joined in as a minority investor in the project.

However, the project's varied revenue streams initially made it difficult to attract lenders. While the first phase is fully contracted through a PPA with Edenorte, the second phase is completely merchant.

Given the complexity of the project and the risk it entailed for lenders, both financial adviser and sponsor decided to structure the deal for both phases as a single financing, arranged through the same special purpose vehicle. The goal was to diversify the risk and make the mandate more appealing to banks.

Jason Segal

"The transaction took a lot of extra work because part of it was merchant," noted Segal. "We were able to complete this first-of-a-kind financing for a Dominican renewables project because we financed it under a single SPV with multiple debt tranches so all lenders could have access to some contracted revenue."

The $145 million senior loan was ultimately divided into 2 tranches. Local banks Banco BHDL Leon, Banco Popular and BanReservas provided a roughly $90 million US dollar-denominated non-recourse tranche, led by BHDL.

Meanwhile, the local currency-denominated chunk of the debt package was provided by AFI Universal. AFI's participation was arranged by Latin American non-bank financial institution CIFI, which did not provide any funding itself. AFI's loan totaled $55 million.

The deal closed in June 2021, making it the country's first partially merchant renewables financing.

Segal added that this is not the last project that GE23 will attempt to finance with a merchant revenue component and that the company is also exploring wind, solar and battery hybrid projects.

The sponsor, which has been active in the Dominican market for 30 years, intends to retain its leadership position in the country by working with the latest administration on renewable-friendly policies. For instance, Abinader's government now allows hybrid renewable generation assets, mainly solar and wind, to be developed under the same concession.

GE23 also plans to continue working with Javelin, looking at new M&A and development opportunities within the country. "We want to be part of the energy transition in the Dominican Republic," said Segal.

The project

The contracted phase of Los Guzmancito was brought online in December of 2019, but faced a slight hiccup as its PPA changed hands in April of this year.

Until that point, the offtaker had been the Dominican Corporation of State-Owned Electric Companies (CDEEE). Then, the Dominican Republic shifted the responsibility of procuring power and renewable energy to its 3 former subsidiaries, which now operate as separate state-owned companies. Those 3 regional distribution companies (discos) were:

- Edenorte
- Edesur
- Edeeste

As a result, Los Guzmancito's contract was assigned to Edenorte.

GE23 started construction on the second, merchant phase of the asset on 22 August (2021), after closing the debt financing.

Other sponsors have also doubled down on the evolving power market in the Dominican Republic.

In June, Dominican utility company Empresa Generadora de Electricidad Haina (EGE Haina) brought online its 120MW (DC) Girasol solar park in the province of San Cristobal.

Toward the end of 2020, InterEnergy and Fondo de Desarrollo de Sociedades jointly acquired an operational 34MW wind farm and a 150MW pipeline of development-stage renewable projects in the country. ■

Asia Pacific

Tenders launched

Closed deal values by sector

Mining Transaction count **9** — $3,632 ($m)

Oil & Gas Transaction count **10** — $5,472 ($m)

Power Transaction count **20** — $5,824 ($m)

Renewables Transaction count **43** — $8,359 ($m)

Social & Defence Transaction count **5** — $3,478 ($m)

Telecoms Transaction count **11** — $7,458 ($m)

Transport Transaction count **13** — $3,251 ($m)

Water Transaction count **2** — $387 ($m)

Projects with recent tender updates

1	Formosa 4 Offshore Wind Farm (4.4GW)
2	HEP/GPI Hokkaido Hydrogen Plant
3	Manila Cancer Centre PPP
4	Privatisation of 24.5% Stake in WestConnex Toll Road (33KM) (Lot 2)
5	San Fernando Ferry Terminal
6	Ahlone International Port Terminal 2 PPP
7	Melbourne North East Link (Watsonia-Bulleen Segment) PPP
8	Jizzakh Kattakurgan Solar PV Plant (200MW) IPP

Closed deals by country

	Transaction Country	Value ($m)	Count
1	**Australia**	18,787	43
2	**India**	5,807	16
3	**New Zealand**	3,263	4
4	**Malaysia**	1,731	5
5	**China - Mainland**	1,621	4
6	**Thailand**	1,456	1
7	**Uzbekistan**	1,020	1
8	**Japan**	930	11
9	**Philippines**	924	3
10	**China - Hong Kong (SAR)**	734	4
11	**Indonesia**	608	6
12	**Vietnam**	312	6
13	**China - Chinese Taipei**	300	1
14	**Papua New Guinea**	223	1
15	**South Korea**	217	3
16	**Fiji Islands**	212	1
17	**Singapore**	200	2
18	**Solomon Islands**	171	1
19	**Timor-Leste (East Timor)**	63	1

Transactions that reached financial close

- 30 June — Acquisition of 49% in Tianqi Lithium
- 11 July — Mumbai International Airport Refinancing 2021
- 14 July — New Royal Adelaide Hospital PPP Refinancing 2021
- 22 July — Measat M3d Satellite
- 27 July — GIP's 26.25% Acquisition of Curtis Island LNG's Mixed-Use Infrastructure Refinancing 2021
- 3 Aug — Acquisition of 65.5% in Tilt Renewables
- 27 Aug — Rye Park Wind Farm (396MW)
- 31 Aug — SJVN Buxar Thermal Power Plant (1.32GW)

Kaban Green Power Hub, Australia

French renewables developer Neoen brought its Kaban Green Power Hub in Far North Queensland to financial close in September in spite of a host of trial and tribulations, reports *IJGlobal* **Maya Chavvakula**.

The A$370 million ($268m) project has been in the making since 2018 and earlier this year was dealt a blow by the Australian government when a federal minister stepped in to block a pre-arranged government loan to the development.

What followed was some quick thinking by both Neoen and the Queensland government in reworking the project and arranging financing in just over 3 months to deliver the project on a pre-determined timeline.

Background

The Kaban Green Power Hub will be located near the town of Ravenshoe, around 80km south west of Cairns. It comprises a 157MW wind farm as well as associated transmission line and a 100MW battery.

Neoen secured development consent for the wind farm and battery in 2018, but opted to develop the battery component once the wind farm was operational.

The wind farm will be fitted with 28x turbines which will be up to 226m in height to the tip of the blade.

Vestas is supplying and installing the turbines and has an O&M contract to maintain the development throughout its lifespan, which is expected to be around 30 years.

The project in 2020 secured a PPA with Queensland's state owned utility CleanCo for most of the output of the wind farm.

Kaban also requires a 320km transmission line upgrade from 132kV to 275kV of the North Queensland coastal circuit which runs from Cairns to Townsville.

Neoen initially planned to fund the project through a A$280 million loan from the Northern Australia Infrastructure Facility (NAIF).

It would have been NAIF's first investment in a renewables project and all the necessary approvals were close to being secured when federal resource minister, Keith Pitt, stepped in to block the loan, dealing the project a major blow.

Loan rejection

Keith Pitt vetoed the NAIF loan in March (2021) as he felt it was "inconsistent with the objectives and policies of the Commonwealth Government" and was not "convinced that the project will result in lower energy prices".

Yves-Eric Francois, chief financial officer of Neoen Australia, said: "We were a couple of days away from financial close when this happened, it was completely unexpected.

"We spent the best part of 7 months negotiating the deal and it would have been their first investment in renewables so they had a lot of work to do on due diligence. Because of this they were quite disappointed when the deal fell through."

Pitt came under fire from the Labor opposition for his decision with Queensland's minister for energy, renewables and hydrogen, Mick de Brenni, accusing the federal government for "turning their back" on the Kaban project.

Queensland to the rescue

The project still has widespread support from the Queensland government which worked closely with Neoen to rework the project.

Most notably, CleanCo agreed to turn its PPA with Kaban wind farm into a CPA (capacity payment agreement) in a first for the state-owned utility.

Under a CPA, CleanCo will essentially rent the wind farm from Neoen which will in turn be paid a flat fee over the duration of the agreement.

This means the risk of generation fluctuations will be borne by CleanCo. If the project generates more energy than expected CleanCo profit and it will take a loss if generation falls short or the wind farm is curtailed for any reason.

Neoen's 15-year CPA with CleanCo dramatically de-risked the project making it attractive to lenders, said the French company's chief financial officer Louis-Mathieu Perrin.

Yves-Eric Francois

"We spent the best part of 7 months negotiating the deal and it would have been their first investment in renewables so they had a lot of work to do on due diligence. Because of this they were quite disappointed when the deal fell through."

In addition to the CPA, Queensland government also pledged A$40 million to fund the upgrade to the North Queensland coastal circuit.

Financing

Following the rejection of the NAIF loan in March, Neoen spent the better part of April and May negotiating the CPA with CleanCo and "re-engineering the project" and only went to market to arrange debt in June (2021).

The A$370 million capex is only for the wind farm with Neoen deciding to progress the battery component at a later stage and Queensland footing the bill for the transmission line upgrade.

Kaban wind farm reached financial close on 20 September (2021) after securing financing form 5 banks.

Neoen has decided to keep the exact size of the debt package under wraps saying that the information is commercially sensitive, but confirmed that the project has a gearing between 70% and 80%.

Neoen is the sole equity provider for the project with debt/equity split believed to be:

- debt – A$275 million
- equity – A$95 million

The debt was arranged by:

- BNP Paribas
- HSBC
- MUFG
- NAB
- NordLB

All the banks took similar tickets with slight differences in hedging. The financing was arranged as a hard mini perm with a 5-year tenor.

Commenting on the financing process, CFO Louis-Mathieu Perrin said: “The CPA gave us a lot of leverage and generated very strong appetite among lenders. We had over 10 banks approach us wanting to take part in the financing.”

He added: “It was a very interesting situation and at the end of the day we had to be selective and turn most of them away. We had the option to close the deal with more than 5 lenders, but it wouldn’t have made sense given the size of the debt package.

“But it gave us a lot more control over the pricing and let us set out the parameters we wanted for this project.”

Louis-Mathieu Perrin

"The CPA gave us a lot of leverage and generated very strong appetite among lenders. We had over 10 banks approach us wanting to take part in the financing."

Neoen’s Francois said: “Banks in Australia are extremely keen to finance projects that progress the country’s energy transition, but are quite averse to merchant risk. So, given how Kaban was structured, it was a no brainer for them.”

Francois added: “Most banks we had were prepared to underwrite a large part of the financing package. We could have closed the deal with 3 lenders, but decided to go with 5 to give us flexibility in case a bank got cold feet and wanted to pull out.”

Neoen is currently embroiled in a lawsuit over its Hornsdale Power Reserve in South Australia

Conclusion and battery woes

Despite the setback, Neoen confirms that the wind farm will be operational by 2023 as originally planned.

Perrin added: “The rejection of the NAIF loan was a bit of a shock, but we accepted the decision and proceeded to find ways to make the project work without it and I think we ended in a place that we are happy.”

On Keith Pitt’s intervention, Perrin said: “He based his decision on a number of factors and whether we agree with that is not relevant. He was entirely within in right to block the loan and we accepted the decision.”

It is quite evident that the previously set timeline wouldn’t have worked without the Queensland government’s intervention.

Francois, who led the negotiations on the ground in Australia, added: “What’s remarkable about this project is the incredibly tight deadline we had to work with.

“We closed the financing in just over 3 months and managed to negotiate the first-of-its-kind offtake agreement with CleanCo. This project set a lot of firsts for Neoen and reinforced our commitment to our Australian operations.”

The wind farm had a happy ending and it is anticipated that the battery component associated with the energy hub will also go ahead as planned.

However, Neoen is currently embroiled in a lawsuit brought forward by Australian Energy Regulator (AER) which is suing the energy giant over its Hornsdale Power Reserve (the Tesla big battery) in South Australia.

AER claims that that the battery did not provide back up for 4 months in 2019 having received payment to provide back up.

The lawsuit comes just a month after its 300MW Moorabool battery in Victoria caught fire soon after becoming operational.

Neoen said the 2 incidents have not dissuaded it from pursuing battery projects in the future and confirms that the Kaban battery will go ahead “at a later date”.

Advisers

Advisers to Neoen:

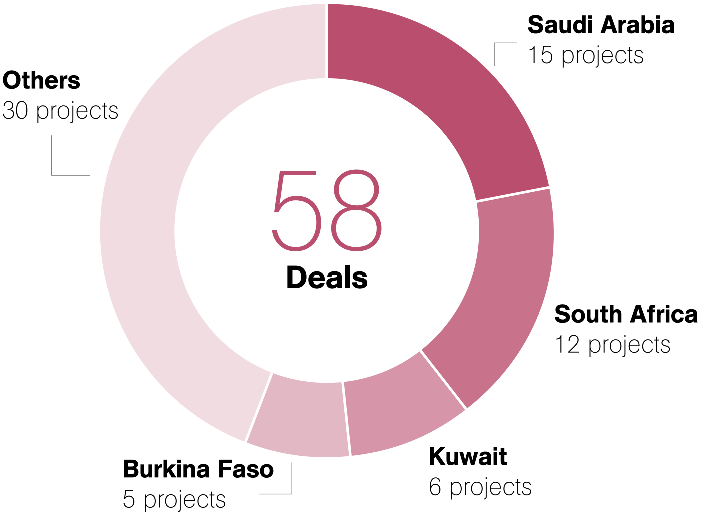
- Elgar Middleton – financial
- White & Case – legal
- WSP – technical
- EY – tax

Advisers to lenders:

- Ashurst – legal ■

Middle East & Africa

Tenders launched



Projects with recent tender updates

1	Buraydah 2 ISTP
2	Al-Dibdibah Solar PV Plant (1500MW) IPP
3	Jubail 3B Desalination Plant IWP
4	Mesaieed Petrochemical Plant PPP
5	Douala Bus Rapid Transit PPP
6	Abu Dhabi Street Lighting PPP Phase 2
7	Rabigh 4 Desalination Plant IWP
8	Tabuk 2 ISTP

Closed deal values by sector

Oil & Gas
Transaction count **6**
$25,563 ($m)

Power
Transaction count **5**
$1,415 ($m)

Renewables
Transaction count **17**
$3,099 ($m)

Water & Renewables
Transaction count **1**
$747 ($m)

Telecoms
Transaction count **3**
$744 ($m)

Transport
Transaction count **2**
$349 ($m)

Social & Defence
Transaction count **2**
$620 ($m)

Closed deals by country

	Transaction Country	Value ($m)	Count
1	**Qatar**	12,500	1
2	**Saudi Arabia**	8,152	4
3	**United Arab Emirates**	3,038	7
4	**Mauritania, Senegal**	1,500	1
5	**Ghana**	574	2
6	**South Africa**	487	5
7	**Côte d'Ivoire**	386	1
8	**Iraq**	360	1
9	**Gabon**	210	1
10	**Tanzania**	166	2
11	**Democratic Republic of the Congo**	112	2
12	**Egypt**	100	1
13	**Kenya**	98	1
14	**Nigeria**	41	2
15	**Seychelles**	32	1
16	**Benin**	28	2
17	**Israel**	20	2
18	**Rwanda**	15	1
19	**Mozambique**	5	2

Transactions that reached financial close

- 11 June — Saudi Aramco Sukuk 2021
- 17 June — Sudair Solar PV Plant (1.5GW) IPP
- 18 June — Al Warsan 2 Waste-to-Energy Plant
- 29 June — Ghana Eastern Corridor Lot 1 (64KM)
- 30 June — Qatar Petroleum Bond Facility 2021
- 5 Aug — Cote d'Ivoire Hospitals Portfolio
- 10 Aug — Globeleq Wind and Solar Portfolio (238MW) Refinancing
- 24 Aug — Acquisition of Nakheel's District Cooling Assets

Kinguélé Aval hydropower IPP, Gabon

In the middle of the summer French asset manager and infra investor Meridiam gained the distinction of bringing Gabon's first grid-connected IPP project to financial close. *IJGlobal* reporter **James Hebert** investigates.

This is the 35MW Kinguélé Aval hydropower plant which will be constructed in the rainforest and on the River Mbei in the country's north west, at a site located 90km east of the capital city of Libreville where all of its generated power will be fed.

The International Finance Corporation (IFC) played a similar role on the project financing as it did on the Nachtigal hydropower independent power producer (IPP) in Gabon's northern neighbour Cameroon in 2018.

The World Bank Group member led the debt financing and drew in 3 other development finance institutions (DFIs) on the deal.

Kinguélé Aval hydropower – when operational – will provide 9% of Gabon's electricity supply. This is also 13% of the Estuaire Province's supply, where the city of Libreville is located.

Financial close took place on 2 July (2021).

MoU signing

Kinguélé Aval started life with a 30-60MW design spec, following the 21 March 2017 signing of a memorandum of understanding (MoU) between the government of Gabon and a consortium comprising Meridiam and the country's sovereign wealth fund Gabonese Strategic Investment Fund (FGIS).

The MoU granted the consortium the exclusive right to develop the hydropower project. After the government gave its approval, the 14-month long pre-development phase began with the feasibility study and ESIA work.

The special purpose vehicle (SPV) – Asonha Energie – was created on 28 May 2018, with Meridiam in the lead developer role and FGIS owning an indirect minority stake. Meridiam's overall 60% equity stake will be financed by 2 funds.


Ginette Borduas

"When we looked at everything, it made sense to reduce the project to a size that minimises its impact while keeping it economically viable. We reached the best possible scenario."

The SPV shareholding structure is as follows:

- Meridiam Infrastructure Africa Fund – 45%
- Meridiam Infrastructure Africa Parallel Fund – 15%
- Gabon Power Company (GPC) – 40%

GPC is an energy portfolio company wholly-owned by FGIS. The equity portion of the project was put at €44 million in August 2020 but is now understood to be €25 million.

In November 2018, the Meridiam-led consortium decided to reduce the design spec of the project from 60MW to 35MW following publication of the ESIA report conducted by aseparate team of firms:

- Artelia
- Biotope
- EDF

Meridiam's current head of ESG, Ginette Borduas, said at the time of the ESIA report: "The reasons for reducing the size of the project came from a mix of technical, economic and environmental impact studies, allowing detailed comparative analysis of different design options.

"When we looked at everything, it made sense to reduce the project to a size that minimises its impact while keeping it economically viable. We reached the best possible scenario."

Meridiam was also seeking a balance between maximising generating efficacy while reducing its environmental impact on a river that already had 2 (larger) hydropower dams upstream from the chosen site.

The sponsors signed with the government a 33-year concession for the hydro in October 2019. The power purchase agreement will run for 30 years and all energy will be sold to national utility Société d'Energie et d'Eau du Gabon (SEEG).

Financing

The total project cost is €178 million ($209.3 million) and the debt package adds up to €153 million.

Around €55 million of the debt is provided directly through the IFC in its capacity as lead arranger. The World Bank Group member's tickets are:

- IFC – €33 million senior loan
- Canada-IFC Renewable Energy Programme for Africa – $25 million concessional loan

The IFC was joined by 3 other DFIs adding a further €98 million:

- African Development Bank (AfDB) – €39 million
  - AfDB direct loan – €20 million
  - Africa Growing Together Fund – €10 million
  - Sustainable Energy Fund for Africa – €9 million
- Development Bank of Southern Africa (DBSA) – €34 million
- Emerging Africa Infrastructure Fund (EAIF) – €25 million

There is a 19-year tenor on the debt, according to a source from one of the DFIs.

Another member of the World Bank Group, MIGA, is understood still to be in discussions with the sponsors for a 15-year political and currency risk guarantee. The quoted sum is €117.5 million. In the meantime, the IFC provided a separate risk guarantee worth $5.5 million.

Gabon's first IPP

Kinguélé Aval will not be the largest hydropower plant on the River Mbei – further upstream there is also the 69MW Tchimbélé and the 58MW Kinguélé hydro plants (developed in the 1960s and 70s respectively). However, despite its smaller size Kinguélé Aval is Gabon's first IPP.

The financial close success in July (2021) may therefore open the door for new IPPs in the Central African state. In this regard, the AfDB's director of energy financial solutions, Wale Shonibare, called Kinguélé Aval a "showcase project".

"The success of the model provides a useful template for future projects that will help move the country closer towards achieving the government's 100% clean energy target," Shonibare added.

There are at least 2 other IPPs under development in Gabon – Meridiam's effort was not without competition. On 26 October 2018, Africa-focused Eranove Group signed with the government 2 separate PPAs for 2 hydropower projects, however progress has since been slow. These are:

- 73MW Ngoulmendjim hydropower IPP – Asokh Energy
- 15MW Dibwangui hydropower IPP – Louetsi Hydro

The International Hydropower Association (IHA) published an ESG report into the smaller Dibwangui in August 2020. The 15MW project has an estimated cost of €109 million and the cost of energy is to be set around €0.148 per kilowatt hour. Eranove is understood to have spent much of the development time since the IHA report liaising with potential EPC contractors.

FGIS is also in the frame to support Eranove's 2 projects on the sponsor-side. This is much in line with the format used for Kinguélé Aval, which FGIS partly owns through an indirect stake. The success experienced by Meridiam on its showcase project should therefore be good news for Eranove and its own IPP efforts, and any future IPPs in Gabon.

The IFC said that its participation and leading role on Kinguélé Aval's financing "is well aligned with the World Bank Group's new Climate Change Action Plan that aims to mobilise private sector solutions to help emerging and developing countries foster clean energy investments and generate non-oil revenue to contribute to economic diversification."

The EPC contract was awarded to Chinese state-owned engineers Sinohydro on 27 October 2020.

Kinguélé Aval hydro IPP is now under construction and this phase is expected to take 40 months to complete.

Advisers

The sponsors were advised by:

- Gide Loyrette Nouel – legal
- Alévina & Partners – local legal

The lenders were advised by:

- Allen & Overy – legal
- Project Lawyers – local legal
- Mott MacDonald – technical
- Mazars – model audit
- Wills Towers Watson – insurance ■