

ANDE: Turnkey Project

The National Electricity Administration (“**ANDE**”)¹ plans to launch an infrastructure project for works of distribution and transmission of electric power with sovereign guarantee of the Paraguayan Government (the “**Project**”).

1-minute read about the Project’s key topics:

✔ Value

The **total value of the Project** would be up to **USD 300.000.000²**.

✔ Financing

To execute the Project, the **Sponsors** must secure **private financing as the project cost are paid by ANDE** in installment.

✔ Guarantee

ANDE’s payment obligations are secured by **Paraguay’s sovereign guarantee up to USD 300.000.000**.

“
The Sponsor must secure the private financing³ before the issuance of the works commencement order.
 ”

✔ The Offer shall be divided in

Technical offer⁴

Economic offer⁵

Financial offer⁶

Only the financial offer may be subsequently amended if:

A sponsor is shortlisted by the ANDE and the **Ministry of Finance requests an improvement or clarification on the financial offer.**

The Project is awarded under a system of lots and a single bidder is selected for **more than one lot** (maximum three lots) in the benefit of economies of scale.

✔ Payments/CROPS

The Project is subdivided into milestones, and each milestone generates payment obligation of ANDE. Each payment obligation is documented in payment obligation acknowledgement certificates (“**CROPS**”) issued by ANDE and secured by Paraguay



CROPS are autonomous, unconditional, irrevocable, and transferable.



Delivery of equipment and materials to ANDE may also be deemed completed milestones up to 40% of the total value of the Project.

¹ Paraguay’s government owned utility company.

² This includes financial costs. If the construction contract is subsequently modified due to unforeseen or technical causes during the execution of such contract, any additional costs resulting from said modification will be borne by ANDE’s own resources and will not have the sovereign guarantee. These modifications cannot exceed 5% of the total value of the contract.

³ Subject to the bidding terms and conditions (e.g. uncommitted or committed letter of intent) that will be socialized with potential sponsors and funders before its launch.

⁴ Indicates the sponsor’s technical, administrative and legal capacity and solvency.

⁵ Indicates the price x quantities, which determine the total value of the work.

⁶ Indicates the financial conditions (capital, term, interest, etc.), financial model, and financing structure.

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You may also be interested to know:



Cross-default

There will be **no cross-default** of the construction contract in relation to Paraguay's obligations under other infrastructure projects currently underway⁷.



Jurisdiction

The bidding terms may include clauses allowing the **construction contract⁸ to be governed by the laws of New York or London** and submission to its courts.



Representations of Paraguay

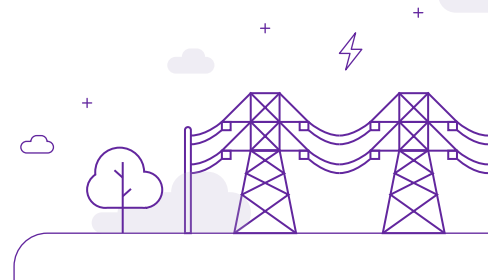
ANDE is authorized to **issue representations (indemnity letter)** related to statements made under the bidding terms and other project documents **for financing purposes**.



National participation

For non-Paraguayan sponsors, the bidding terms will require a minimum of **actual Paraguayan participation of 25%**, either through consortiums or as a subcontractor.

In all cases, **100% of the supply of hot-dip galvanized metal structures** (gantries and supporting structures of electromechanical equipment for substations and transmission line towers) shall be **acquired from Paraguayan vendors**.



⁷ Default under other construction contract (e.g. Bioceanico Project) will not entail default under this Project contracts.

⁸ Such submission may also apply to CROPs.

ROADMAP



This is the path to participate in this project:

