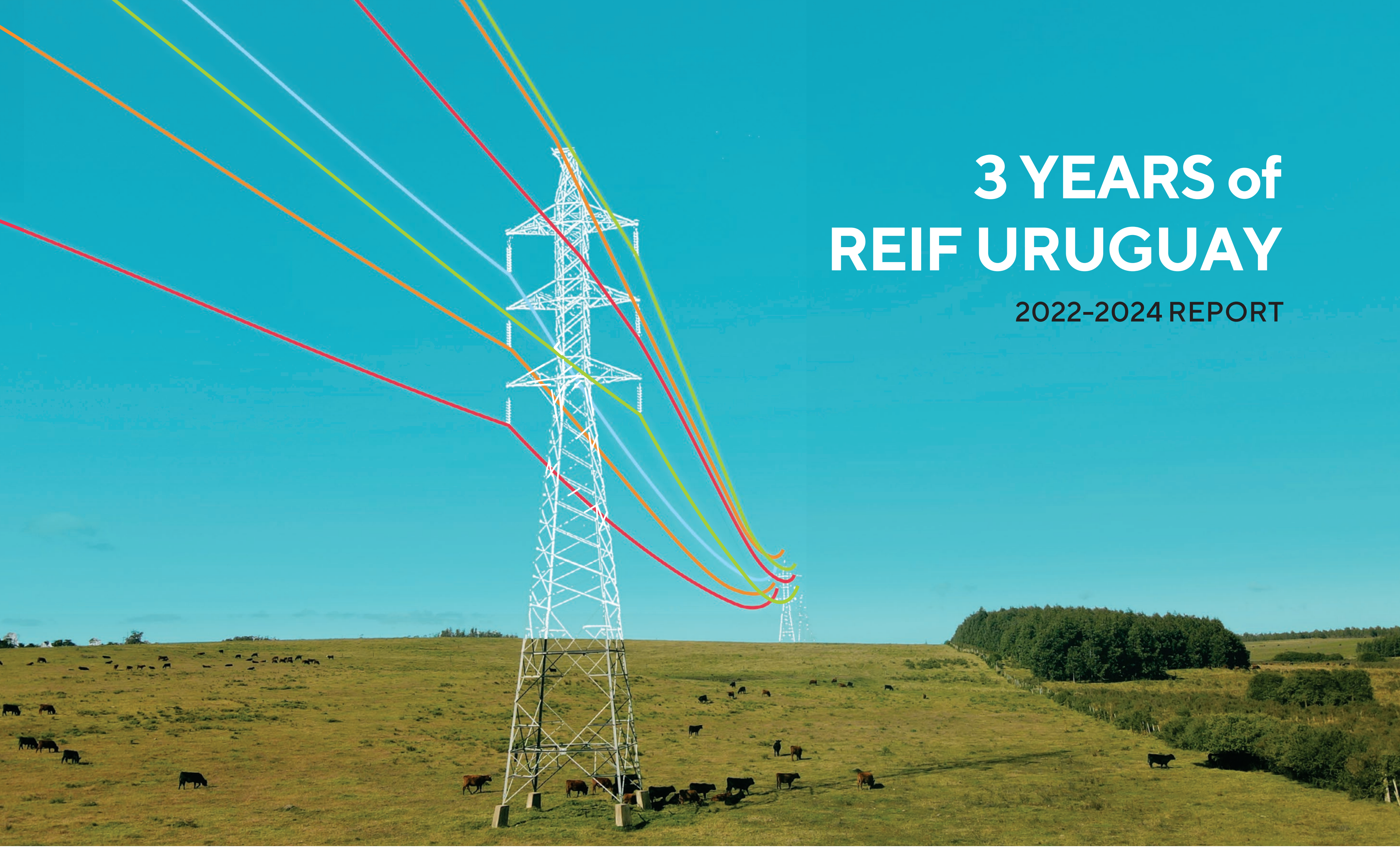
3 YEARS of REIF URUGUAY

2022-2024 REPORT



REIF Renewable Energy Innovation Fund

JOINT SDG FUND

PARTICIPANTS

Ministerio de Industria, Energía y Minería

Ministerio de Ambiente

Oficina de Planeamiento y Presupuesto

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IMPLEMENTING PARTNERS

JOINT SDG FUND

NACIONES UNIDAS URUGUAY

ONUDI ORGANIZACIÓN DE LAS NACIONES UNIDAS PARA EL DESARROLLO INDUSTRIAL

ONU MUJERES

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REIF Uruguay

The Renewable Energy Innovation Fund (REIF) is a joint initiative of United Nations and the Government of Uruguay, financed by the Joint SDG Fund. It promotes the decarbonization of industries and transport as part of the country's Second Energy Transition. Using a blended finance model, REIF combines funds from United Nations and commercial banks to finance private investments in technologies and infrastructure, establishing an innovative financing mechanism for sustainable development.

REIF aligns with the 2030 Agenda and the principle of Leaving No One Behind. In this regard, it offers technical assistance to companies to enhance the economic, social with a gender perspective, and environmental impact of their projects; promotes international cooperation and technology transfer to generate strategic knowledge; and supports institutional capacity building.

Impact in figures

After three years of the Renewable Energy Innovation Fund programme, these are the main milestones:

Funded projects:

10

- 10 investment projects financed to the private sector

Financial impact:

US$ 2,188,770

invested directly by REIF, catalysing total investments of US$ 7,295,900 in projects aligned with the Second Energy Transition

Strategic partnerships:

7

- Cooperation agreements with 7 commercial banks in Uruguay for project co-financing

Environmental impact:

27,747 CO_2 tons

Expected reduction in GHG emissions is 27,747 tonnes of CO_2, with a target of reaching 50,000 tonnes of CO_2 by the end of 2025

Capacity building:

25

training and outreach activities supported

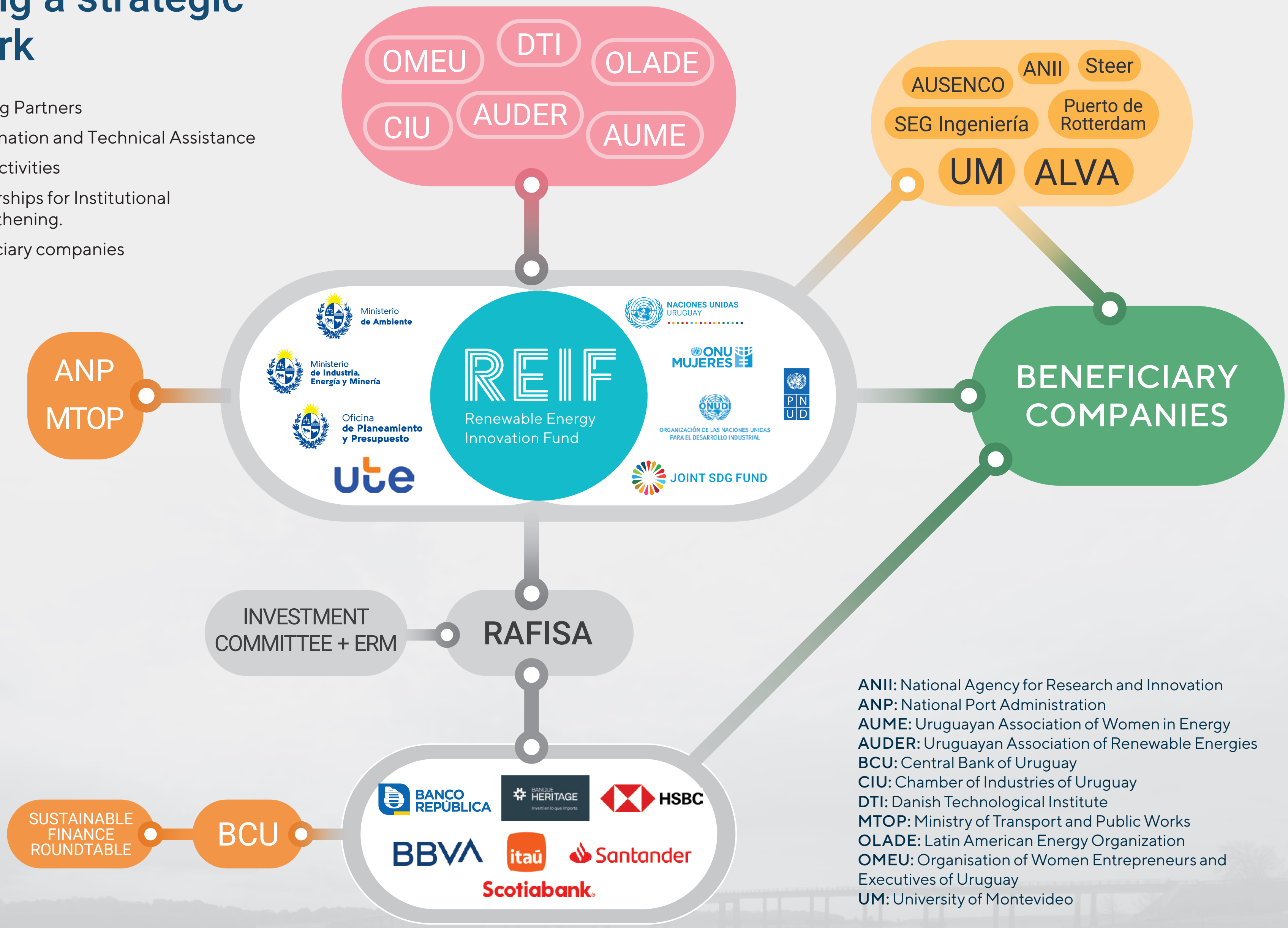
Collaboration network:

25

- Connections with 25 key institutions in the private and public sectors, as well as in academia

Actor mapping:
building a strategic network

- Funding Partners
- Coordination and Technical Assistance
- Joint Activities
- Partnerships for Institutional Strengthening.
- Beneficiary companies



ANII: National Agency for Research and Innovation
ANP: National Port Administration
AUME: Uruguayan Association of Women in Energy
AUDER: Uruguayan Association of Renewable Energies
BCU: Central Bank of Uruguay
CIU: Chamber of Industries of Uruguay
DTI: Danish Technological Institute
MTOP: Ministry of Transport and Public Works
OLADE: Latin American Energy Organization
OMEU: Organisation of Women Entrepreneurs and Executives of Uruguay
UM: University of Montevideo

Timeline

April 2022

- Steering committee meeting attended by representatives from REIF institutions.

May 2022

- **Launch:** Official presentation of the REIF programme in Uruguay, representing the beginning of a new phase in financial sustainability.
- **Solid Foundations:** Structuring of the financial trust fund begins with the support of República Afisa and CPA Ferrer

June 2022

- **Gender and transport:** Gender equality workshop for sustainable public transport, involving bus companies of Montevideo, Montevideo City Government, and REIF institutions, in collaboration with the MOVES project.

August 2022

- Financial Trust contract signed between UNIDO and República Afisa.

November 2022

- Steering committee meeting attended by representatives from REIF institutions.

December 2022

- **Investment policy presented to the banking sector:** during a working breakfast with CEOs of Uruguay's leading banks, the REIF proposal and its investment policy were presented

March 2023

- **Cooperation Agreements:** Agreements signed with BBVA and Banque Heritage for project co-financing.
- **Boosting Sustainable Mobility:** Presentation of the study on the potential for electrifying light fleets, led by UNDP

April 2023

- Cooperation Agreements: Agreements signed with Itau and Santander for project co-financing.

May 2023

- **Training for REIF Partner institutions:** Training on REIF's impact measurement methodology conducted by Fred Seifert, an international expert in impact assessment.

June 2023

- REIF supports the Uruguay Sustainable Expo, with National Coordinator Paula Cobas participating in the panel discussion on Sustainable Finance.

July 2023

- Cooperation agreement signed with HSBC for the co-financing of projects, accompanied by a training session for the bank's executives on integrating REIF into their operations.
- **Promotion of renewable energy in the region:** REIF supports the IX edition of the Latam Renewables Congress and the III WEC (World Energy Council) Congress in Uruguay, key energy sector events.

September 2023

- Signing of a cooperation agreement with **Scotiabank** for the co-financing of projects.

October 2023

- Signing of a cooperation agreement with **Banco Republica** for project co-financing.
- Approval of the first three REIF operations, with a total investment of US$ 1,000,000 by REIF, announced at a press conference.
- An alliance was established with the National Agency for Research and Innovation to provide technical assistance for projects applying to the **Energy Sectoral Fund.**

November 2023

- REIF hosts a side event during the Energy Week, organised by OLADE in Montevideo with the support of the Ministry of Industry, Energy and Mining, titled "**Sustainable Finance and New Strategies to Drive the Energy transition and the SDGs**".

December 2023

- **International Participation:** The Deputy Minister for Industry, Energy and Mining presents the REIF programme at the Joint SDG Fund side event during COP 28.

March 2024

- **Integration of Sustainability Criteria in the Financial System:** Training on Environmental and Social Impact and Risk Analysis for REIF partner banks.
- **International Consultancy:** A delegation from the Port of Rotterdam visits Uruguay as part of a REIF consultancy to analyse port logistics and infrastructure for green hydrogen production and export.

May 2024

- Steering committee meeting attended by representatives of REIF institutions.

June 2024

- **Knowledge Transfer:** Joaquín Aguilera Prado from the Danish Technological Institute leads a mission to Uruguay to promote the use of high-temperature heat pumps in industry, delivering tailored presentations for technicians, academia, industry, and government sectors.
- **Mid-term review** by the consulting firm Deuman.

August 2024

- Presentation of feasibility study on electric mobility for waste management, aimed at subnational governments

September 2024

- **Women Empowerment in the Energy Sector:** Consolidation of the alliance between UN Women and the Uruguayan Women in Energy Association (AUME) to promote female leadership in the energy sector.

December 2024

- REIF celebrates the approval of 10 projects, with a total investment of US$ 2,188,770.
- Support for the Green Hydrogen Strategy: Presentation of results from the logistical analysis of the green hydrogen production and export value chain.

REIF and the banking system:
changing the financial paradigm

REIF has become a key reference for financing decarbonisation projects, signing cooperation agreements with the seven leading banking entities in the country: BBVA, BROU, Heritage, HSBC, Itau, Santander, and Scotiabank.
In this context, the programme has played an active role in transforming the banking sector by promoting the integration of ESG (Environmental, Social, and Governance) impact criteria into credit analysis. This has been achieved through the development of methodologies for measuring investment impacts and the strengthening of banks' technical capacities. Training sessions were conducted to incorporate REIF project selection criteria, complemented by a specialised workshop on environmental and social impact and risk analysis. These activities provided practical tools necessary to evaluate project viability beyond financial considerations.

REIF and companies:

partners in the transition

REIF has financed 10 private projects representing a direct investment of US$ 2,188,770, which facilitated a total investment of US$ 7,295,900 in projects aligned with Uruguay's Second Energy Transition.

Additionally, REIF supports companies in developing and strengthening their initiatives through cost-free technical assistance, helping them measure and maximise the economic, social, and environmental impact of their investment projects. For innovative projects REIF also offers the possibility of financing feasibility studies and validation of technologies and business models.

The projects approved to date represent an estimated reduction of 27,747 tonnes of CO_2 emissions, equivalent to 13 tonnes of CO_2 for every US$ 1,000 invested by REIF.

Each investment project is an opportunity to bridge the gender gap and promote sustainable development. That is why REIF has developed an impact analysis methodology to evaluate projects and companies seeking financing. This methodology is grounded in existing standards and tools, including IRIS+, the United Nations Development Programme (UNDP) SDG Impact Standards, the IFC Performance Standards, and the European Union's Environmental Targets, among others.

Projects

Sustainable mobility: electric vehicle renting

Together with BBVA, REIF supported a major initiative by Multicar Rent-a-Car, the leading car rental company in Uruguay committed to sustainable mobility. Under this framework, the company will acquire 150 new vehicles, bringing the proportion of electric vehicles in its fleet to a notable 20%. This investment has a direct impact on reducing dependence on fossil fuels in transport and contributes to lowering CO_2 emissions from the country's vehicle fleet.

Estimated emissions avoided:

Over 15 years: **8,502** tCO_2

Per US$ 1,000 of REIF investment: **11** tCO_2

Energy efficiency in the residential sector of Montevideo

REIF and Banco Republica are supporting two projects led by Ultralux, a specialised energy company, to replace conventional heating and cooling systems, such as gas and electric boilers, with more sustainable technologies like heat pumps in five buildings in the capital. In this way, households become key players in the transition to a new energy model in Uruguay.

Estimated emissions avoided:

Over 15 years: **2,010** tCO_2

Per US$ 1,000 of REIF investment: **18** tCO_2

Building the future

In partnership with Scotiabank, REIF is supporting IXOU's Brusco Building Project, a sustainability and energy efficiency initiative. This pioneering real estate development in Uruguay will achieve LEED PLATINUM certification for office spaces and LEED GOLD for residential units. As part of REIF's support, six heat pumps will be installed, contributing to a 23% energy saving compared to conventional solutions. Additionally, six chargers will be incorporated to strengthen the public charging network for electric vehicles.

Estimated emissions avoided:

Over 15 years: **2,254** tCO_2

Per US$ 1,000 of REIF investment: **6** tCO_2

More electric vehicles in Uruguay

REIF, in collaboration with Scotiabank, is financing a project by Fiancar Group's Electric Mobility Division to import electric cars. This significant investment demonstrates the trend towards sustainable mobility in Uruguay.

Estimated emissions avoided:

Over 15 years: **7,048** tCO_2

Per US$ 1,000 of REIF investment: **15** tCO_2

Sustainable technology in the tourism sector

REIF, in partnership with Itau, is supporting the transition to energy efficiency in the tourism sector, specifically in hotels in Colonia and Tacuarembó. The company Alternativas Sustentables, which specialises in energy solutions, is leading both projects installing heat pumps to optimise energy consumption for pool heating and climate control in common areas.

Estimated emissions avoided:

over 15 years: **1,943** tCO_2

per US$ 1,000 of REIF investment: **19** tCO_2

Electric mobility for distribution and delivery

REIF, in partnership with BBVA, is supporting DePunta in its transition to more sustainable mobility. By acquiring 11 electric trucks and light vans, the project aims to optimise the company's courier service by replacing part of the current fleet of diesel vehicles, which each travel approximately 60 km daily.

Estimated emissions avoided:

Over 15 years: **1,185** tCO_2

Per US$ 1,000 of REIF investment: **7** tCO_2

Last-mile delivery transformation

REIF, together with Santander, supports Quantik's innovative Swapy project, which promises a major transformation in the delivery industry. The project tackles the logistical challenges of integrating electric vehicles into this sector through a subscription-based HaaS (Hardware as a Service) model. Swapy will establish a battery-swapping network, allowing users to quickly replace depleted batteries with fully charged ones in designated stations, minimising downtime during working hours. With the support of REIF, the project will incorporate 60 electric motorbikes with batteries, 200 batteries, and six charging systems for battery swapping.

Estimated emissions avoided:

Over 8 years: **1,384** tCO_2

Per US$ 1,000 of REIF investment: **20** tCO_2

Electrification of a roadside assistance fleet

REIF, in collaboration with Banque Heritage, co-financed an investment by the roadside assistance company RUA to acquire seven electric tow trucks with their respective chargers. These vehicles will operate under the same conditions and routines as RUA's conventional vehicles, achieving a 20% reduction in greenhouse gas emissions.

Estimated emissions avoided:

Over 12 years: **3,421** tCO_2

Per US$ 1,000 of REIF investment: **34** tCO_2

REIF generates knowledge:
studies and analyses for decarbonization

REIF focuses on overcoming information barriers through technology transfer initiatives, as well as studies and analyses that provide national companies, the banking system, and public entities with the necessary information to accelerate a just transition towards decarbonization in key sectors. Through technical assistance and specialized consultancy services, REIF aims to create conditions that foster development and drive innovation in the country.

Electric mobility:

- Identification and analysis of activities with the potential to incorporate light electric vehicles into fleets.
- Technical and economic feasibility analysis of using electric vehicles for domestic waste collection and transport.

Gender:

- Ongoing study on women's participation and gender gaps in STEM and energy sectors.
- Baseline gender and sustainable mobility focused on public transport.

Green hydrogen:

- Logistics and infrastructure analysis for the production and export of green hydrogen and derivatives in Uruguay.
- Specific assessment of the Port of Montevideo and alternative ports as potential export hubs for green hydrogen and derivatives.

Energy Sectoral Fund (ANII):

- Non-refundable technical assistance for companies to assess projects using low-cost, interruptible renewable energy.

International partnership:

- Collaboration with the Danish Technological Institute (DTI) to promote the use of high-temperature heat pumps for steam generation in industry, with the participation of government, academia, industry, and specialised energy companies

Looking ahead

The success of REIF demonstrates the feasibility of combining concessional funds with traditional funding from the financial system to drive investments aligned with the energy transition in both businesses and households. REIF catalyses private capital into investments that generate economic and environmental impact while also promoting gender equity.

In the last three years, we have established a strong foundation for collaboration with various stakeholders in the local financial ecosystem. We have facilitated investments totalling more than US$ 7 million in projects that generate economic benefits for companies through energy savings, efficiency improvements and increased profitability. At the same time, these projects have generated positive environmental and social impacts, including the reduction of carbon emissions, the enhancement of climate change adaptation, and the integration of a gender perspective across diverse economic sectors. These actions are directly aligned with the Sustainable Development Goals (SDGs), especially with the following:

The results achieved inspire us to move forward with optimism. As we enter a new phase, our vision is to scale REIF's scope and amplify its impact. To this end, we aim to engage new stakeholders, expand our investment areas, and continue sharing knowledge to build capacity in Uruguay and the region.

Every investment project we support is an opportunity to generate positive impact and drive systemic change. We therefore reaffirm our commitment to transforming the financial system into a sustainability-oriented model through capacity building, impact management methodologies, and flexible funding. We will also continue to support the private sector in this transition by measuring indicators, analysing technologies, and tailoring financing solutions to their projects.

In this new phase of REIF, we will strengthen and create new alliances with public institutions, the private sector, academia, and civil society, convinced that collaboration among key actors accelerates the systemic change we seek.

On behalf of the REIF team, we extend our gratitude to all those who have accompanied us during these first years, and we invite you to continue working together to build the future we envision.

REIF

Renewable Energy
Innovation Fund