

# iTrust – Greenmap guarantee facility

## Contacts

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## Concept summary

The [iTrust](#) is an international cross-border non-profit entity designed by [Greenmap](#) to enable governments in developing countries to provide customised programmed-based guarantees to promote private sector investment in renewable energy (RE) generation, within a framework of transparency and competitiveness. The iTrust guarantee package is specially customised for eligible RE auction programmes and includes (i) a cost-free revolving energy payment guarantee for all awarded projects covering delays or non-payment by the offtaker, and (ii) an optional early termination payment guarantee to cover the offtaker or host government default upon the termination of a PPA following the occurrence of certain country-level triggering events. The early termination payment guarantee fees will result from the iTrust funding costs on a pass-through basis.

## Context & barriers the instrument addresses

RE generation costs depend on the amount of capital needed and the weighted average cost of capital. Developing countries have more complex and risky political, economic and regulatory environments which increase the cost of capital and deter long-term private investments. As a result, clean energy investment grows at a slower pace and higher prices, widening the gap with developed nations.

The iTrust guarantees will cover the risks affecting projects' bankability in the developing world including offtaker liquidity and typical country-level risks such as (i) local currency inconvertibility, (ii) hard-currency transferability, (iii) expropriation, (iv) change of law and (v) non-compliance with an arbitral award. The iTrust guarantees will be embedded in auction programmes and automatically granted to awarded projects, allowing to price them in the offer submission. This integrated and program-based feature is key to deploying renewables at scale and reaching a just energy transition.

## Climate & socioeconomic impact, track record to date.

The iTrust's objective is to support at least 10-12 developing countries in its first 10 years of operations (2024 to 2033), allowing a total of US\$ 10-15 billion<sup>1</sup> of new-built RE capacity enough to supply clean energy for approximately 90 million people. The cumulative CO<sub>2</sub> equivalent emission reductions could range from 120-150 million tons

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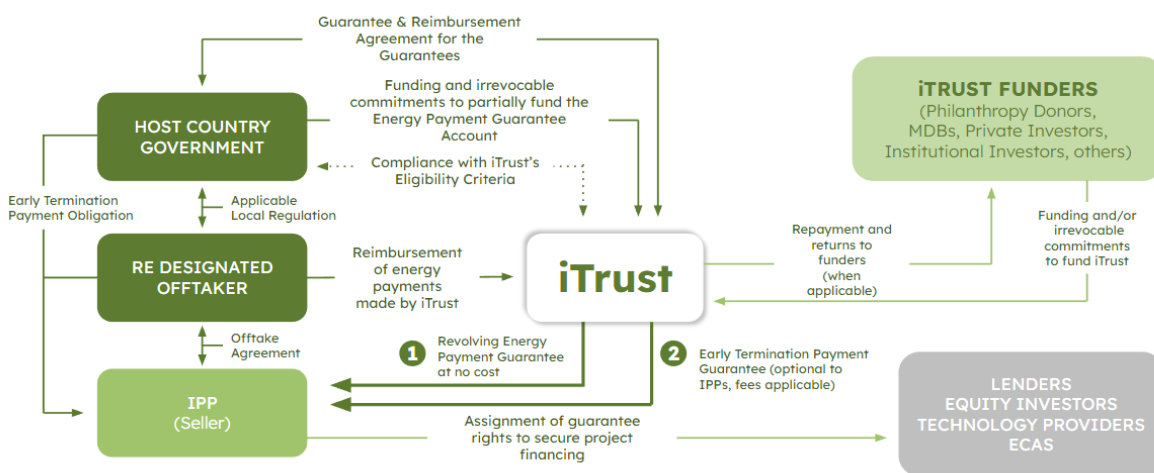
<sup>1</sup> Investment and emission estimations depend on the mix of wind, solar pv and other technologies.

over this period. Over the 20-year expected lifetime of the mobilised projects, the amount of avoided emissions may range from 350 to 400 million tons.

A similar guarantee scheme was implemented under the [RenovAr](#) Programme in Argentina by the current members of the iTrust team -which served as an inspiration for the iTrust- mobilising over US\$ 7 billion of private investment in a very challenging market.

## Instrument mechanics

The iTrust will unlock funds from philanthropic foundations, MDBs and/or private/institutional investors to channel them into energy payment and early termination payment guarantees. Host countries will partially fund the iTrust to skinning in the game.



## Scale-up pathway. Team. Mobilisation Potential. What is needed to make it happen?

The iTrust is designed by Greenmap's [team](#) in collaboration with [Clifford Chance](#) and [John Pickett](#) (former partner at Linklaters Intl.). Greenmap's team has blended experience in the public and private sectors, with an internationally recognised track record. Greenmap's [Board of Advisors](#) is composed of experienced international leaders with extensive backgrounds in RE and climate mitigation strategies.

The implementation of the iTrust will provide the following benefits to host countries: (i) reducing the cost and accelerating the implementation of RE auctions; (ii) lowering the host country market risks, increasing attractiveness and unlocking investment; (iii) improving energy security, affordability and independence, reducing generation costs and dependence on volatile imported fossil fuels; and (iv) curbing carbon emissions.

The iTrust is working with key stakeholders to validate its final design and conclude its incorporation in a jurisdiction with good international standing and reputation as a stable economy with a reliable legal framework. At the same time, the iTrust is engaging potential donors and funders to support its guaranteed accounts.