

IFC hires Beccar Varela for first green loan-destined credit line

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22 January 2019



[Beccar Varela](#) has helped International Finance Corporation grant a US\$50 million loan to Banco Itaú's Argentine branch in what is thought to be the first Latin American transaction that will support "green loan" finance.

Banco Itaú, which relied on its in-house team, will use most of the funds to back initiatives certified under the [Green Loan Principles](#). The principles, published last year by the London-based Loan Market Association, establish guidelines for granting the special funding meant to benefit the environment. Borrowers must comply with various reporting criteria to be considered. In the case of Banco Itaú, KPMG will be responsible for verifying whether the initiatives are environmentally friendly or not.

According to IFC, Banco Itaú will be the first bank to implement the green loan principles in Latin America. If all the funding is allocated, annual greenhouse gas emissions will be reduced by more than 35,000 tonnes of carbon dioxide, which is the equivalent of taking almost 7,000 cars off the road.

The green loan principles are modelled on the now widely used Green Bond Principles, also created by the LMA.

Banco Itaú isn't just using the credit line to support environmentally friendly projects. About 30% of the funds will finance small and medium-sized businesses in the country. The deal closed on 21 December.

[Beccar Varela](#) is regular counsel to IFC, recently [helping](#) it provide a loan to BIND Banco Industrial.

Counsel to Banco Itaú Argentina

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