

## **TozziniFreire advises Chinese waste-to-energy investor**

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TozziniFreire Advogados has helped Chinese investors Jingjiang buy a majority stake in a project to build Brazil's first waste-to-energy thermoelectric plant.

São Paulo firm **Andrade, Lacaz & Vasconcelos Advogados** advised the seller, Foxx Innova Ambiental, which will continue to hold the remaining 49% of shares.

The thermoelectric plant, which will be located in the city of Barueri in São Paulo state, will produce electricity from urban waste material in a process known as waste-to-energy. Thought to be the first of its kind in Brazil, the project is set to receive financing from the IFC and Caixa Economica Federal.

Once built, all solid waste produced by the city of Barueri will be delivered to the facility. It will have capacity to receive 825 tons of waste per day and a power generation capacity of 17 megawatts. Awarded to Foxx Innova in 2011 as a 30-year private public partnership concession, the project was delayed due to lack of investment during Brazil's economic crisis.

The Jingjiang deal was signed on 20 April and is expected to close in the third quarter of 2018.

TozziniFreire partner Reinaldo Ma says the project is attracting interest from other municipalities in the region. "The legislation for waste management has become a burden to city administrations because the old landfills need to be closed, so this pioneering project brings a solution which is environmentally attractive for them," he says.

Ma, who co-leads the China desk at TozziniFreire, believes the deal demonstrates Chinese investors' continued appetite for assets in Latin America. "We are seeing new Chinese players in the market – Jinjiang is an example – so we are likely to continue seeing an expansion of Chinese investments," he says.

China is currently strategically positioning itself as a global supplier of power. Meanwhile, Brazil's recent economic woes have made assets with long-term prospects attractive to international investors.

### **Counsel to Jinjiang Environment**

TozziniFreire Advogados

Partners Leonardo Miranda and Reinaldo Ma, and associate Vitor Yeung Casais

### **Counsel to Foxx Innova Ambiental**

**Andrade, Lacaz & Vasconcelos Advogados**

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- Practice area: Project finance & infrastructure, Corporate and M&A, Energy
- Country: Brazil
- Industry: Renewable energy