



Project Information Document (PID)

Concept Stage | Date Prepared/Updated: 20-Jan-2025 | Report No: PIDDC01139

**BASIC INFORMATION****A. Basic Project Data**

Project Beneficiary(ies) Brazil	Operation ID P508202	Operation Name Amazon and Cerrado Bioeconomy, Forest Restoration, and Climate-Smart Agriculture Project	
Region LATIN AMERICA AND CARIBBEAN	Estimated Appraisal Date 16-Jun-2025	Estimated Approval Date 29-Aug-2025	Practice Area (Lead) Agriculture and Food
Financing Instrument Investment Project Financing (IPF)	Borrower(s) Banco do Brasil	Implementing Agency Banco do Brasil	

Proposed Development Objective(s)

Expand access to finance for bioeconomy, forest restoration, and climate-smart agriculture, and enhance economic and climate resilience for targeted beneficiaries in the Amazon and Cerrado biomes.

PROJECT FINANCING DATA (US\$, Millions)**Maximizing Finance for Development**

Is this an MFD-Enabling Project (MFD-EP)? Yes

Is this project Private Capital Enabling (PCE)? Yes

SUMMARY

Total Operation Cost	1,484.00
Total Financing	1,484.00
of which IBRD/IDA	400.00
Financing Gap	0.00

DETAILS**World Bank Group Financing**

International Bank for Reconstruction and Development (IBRD)	400.00
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Non-World Bank Group Financing



Trust Funds	14.00
Global P'ship for Sust. and Resilient Landscapes - PROGREEN	14.00
Commercial Financing	1,070.00
Unguaranteed Commercial Financing	1,070.00

Environmental and Social Risk Classification	Concept Review Decision
Moderate	The review did authorize the preparation to continue

Other Decision (as needed)

B. Introduction and Context

Country Context

1. Brazil's real GDP grew by 2.9 percent in 2023 and is projected to expand by 2.8 percent in 2024, driven by strong consumption, supported by a resilient labor market and fiscal transfers. Growth in 2023 was fueled by private consumption, fiscal stimulus, and declining inflation, while exports benefited from a record grain harvest and favorable external conditions. In the first half of 2024, GDP grew 2.9 percent, driven solid consumption and recovering investment. Growth is expected to moderate to 2.2 percent in 2025 and stabilize at 2.3 percent in the medium term, reflecting structural reforms. The government has made progress in reforms to improve the business environment, financial sector, and indirect taxes. However, faster, inclusive, long-term growth requires additional reforms to enhance competitiveness, reduce financial and market distortions, expand infrastructure investment, integrate into global value chains, and improve education quality.

2. In 2023, the poverty rate (US\$ 6.85 per day) fell to 21.8 percent, linked to improvements in economic conditions and social protection policies. In July 2024, the unemployment rate fell to 6.8 percent (the lowest since 2014), and real household incomes rose 4.8 percent year-over-year. The rapid decline in the poverty rates from 2022 and 2023 has slowed down in 2024 as Bolsa Familia transfers have stabilized. Still, the poverty rate (US\$ 6.85/day per capita, 2017 PPP) continued to decrease gradually to 21.3 percent in 2024, driven by a 3 percent increase in the real minimum wage and the strong labor market. Sustained job growth, strengthening the targeting of the social protection system and lowering inflation could support faster poverty reduction over the coming years.

3. Although deforestation has diminished by 21.8 percent¹ in the Amazon region in 2023, climate change risks are still pressured by the high levels of land use emissions in the Amazon and Cerrado ecosystems. Brazil's greenhouse gas (GHG) emissions are dominated by land use change (40.1 percent) and agriculture (30.4 percent). Climate change is altering temperature and rainfall patterns in the country, resulting in reduced water availability and extended droughts; it could push another 800,000 to 3 million Brazilians into extreme poverty as soon as 2030.

Sectoral and Institutional Context

¹ According to data from [INPE-PRODES](#), deforestation in Brazil's Legal Amazon dropped 21.8 percent in 2023 (covering the period from August 2022 to July 2023) to 9,064 km² (about the size of Puerto Rico), compared to 11,594 km² in 2022.



4. The Amazon and Cerrado biomes have become critical areas for biodiversity conservation and agriculture importance and are key to unlock the climate adaptation and mitigation agenda in Brazil. The Amazon biome spans 420 million hectares, representing over 40 percent of Brazil's national territory. Renowned for its unparalleled biodiversity, it is a vital global climate regulator, functioning as a significant carbon sink. About 83 million hectares of primary forests have already been deforested in the Amazon.² Considering the entire Legal Amazon³, approximately 23 percent of the original cover has been deforested, with 59 million hectares of primary forests and Cerrado areas lost in the past 36 years.⁴ The Cerrado, a tropical savanna covering over 200 million hectares (23.3 percent of Brazil's territory), is the second-largest biome in Latin America. It serves as a major agricultural hub, driving Brazil's global exports of soy, cattle, corn, and sugarcane, and accounted for 60 percent of the country's agricultural output in 2022, including 22 percent of global soybean production and 23 percent of global sugarcane production.³ However, over 30 million hectares of the Cerrado's native savanna have been converted in recent decades, threatening its crucial roles as a carbon sink, freshwater source, habitat for Indigenous peoples, and sanctuary for 5 percent of all species on Earth.⁵ Alarming, deforestation in the Cerrado increased by 43 percent in 2023 compared to the previous year, even as deforestation in the neighboring Amazon declined by 62 percent.⁶ These rapid changes underscore the urgent need for sustainable land management to mitigate Brazil's emissions and safeguard its critical ecosystems.

5. The bioeconomy⁷, forest restoration initiatives, and the adoption of climate-smart agriculture (CSA)⁸ practices to recover degraded pastures offer a sustainable pathway to fostering resilient and inclusive growth in these biomes. The bioeconomy is a key driver of deforestation-free economic growth in the Amazon. In the Legal Amazon, the bioeconomy is estimated to generate value added of US\$1.9 billion, a GDP of US\$2.4 billion, and support around 347 thousand jobs.⁹ Bioeconomy not only values biodiversity products but are in many cases also linked to broader territorial conservation measures in the Amazon and other biomes. This sector offers significant potential for further economic growth, especially under scenarios focused on zero deforestation and optimized land use, which could substantially increase value-added and job creation in the region. In both biomes, there is a significant opportunity for the restoration of pastures and forests. Alongside restoration using native species for environmental and biodiversity preservation, the implementation of productive agricultural and agroforestry systems is proposed to foster sustainable agricultural and forestry production. However, the reintroduction of native species in these restoration efforts faces challenges related to the lack of technical guidelines and the development of a structured forest restoration supply chain. Additionally, over 90 million hectares of degraded pastures with very low agricultural productivity require recovery through CSA practices. These practices can enhance productivity, promote sustainable agri-food production, and reduce pressure on forest areas.

6. Financing is crucial for adopting sustainable practices in agriculture, bioeconomy, and reforestation, yet the scarcity of credit for bioeconomy or forest restoration hampers business development and heightens operational

² Nobre, C.A. et al. (2023) [New Economy for the Brazilian Amazon](#). São Paulo: WRI Brasil. Based on data from Prodes, 2022.

³ Legally defined area established by Law N. 1.806/1953, covering the Brazilian Amazon Basin, including tropical forests and adjacent Cerrado regions. It extends over approximately 5 million square kilometers—representing 59 percent of Brazil's territory.

⁴ Nobre, C.A. et al. (2023) [New Economy for the Brazilian Amazon](#). São Paulo: WRI Brasil. Based on data from Mapbiomas, 2022.

⁵ World Economic Forum. 2024. [The Cerrado: A Critical Biome for Sustainable Transition](#).

⁶ Ibid.

⁷ The bioeconomy is the production, utilization, conservation, and regeneration of biological resources, including related knowledge, science, technology, and innovation, to provide sustainable solutions (information, products, processes and services) within and across all economic sectors and enable a transformation to a sustainable economy. ([International Advisory Council of the Global Bioeconomy Summit](#), 2018).

⁸ [CSA](#) is an integrated approach to managing landscapes—cropland, livestock, forests and fisheries—that address the interlinked challenges of food security and climate change. It is a set of agricultural practices and technologies which simultaneously boost productivity, enhance resilience and reduce GHG emissions

⁹ Nobre, C.A. et al. (2023) [New Economy for the Brazilian Amazon](#). São Paulo: WRI Brasil



risks, particularly due to working capital needs and lack of value chain structuring. The absence of adequate financing models hampers the development of sustainable agriculture, bioeconomy, and reforestation activities in the Amazon and Cerrado Biomes. Credit availability is a critical factor that shapes agrifood systems, influencing decisions from crop and livestock selection to the adoption of various production technologies and practices. In Brazil, the public sector remains a significant contributor of the formal agrifinance market providing 33 percent of total credit (US\$ 75 billion from *Plano Safra*¹⁰). Despite the use of subsidized credit schemes as a key agriculture public support policy, only 15 percent of family farmers access formal credit, underscoring a pressing need for improved agrifinance accessibility to family farmers to encourage the adoption of CSA practices, and the investments in the bioeconomy and reforestation. Currently, only 3 percent of all investment credit for agriculture¹¹ production in the Legal Amazon from *Plano Safra* is allocated to low-carbon emission practices, yet, redirecting the entire volume of loans granted in the region toward low-carbon agriculture and livestock would only finance 40 percent of the investments needed for the sector's transition.¹² Furthermore, there is very little demand for currently available credit lines for forest restoration. A mix of technical assistance, integrated carbon finance solutions and longer repayment periods is needed to increase demand for restoration financing.

7. Carbon markets have the potential to play a key role in countries' sustainable development efforts, by attracting private sector investments and unlocking new sources of financing, enabling associated socio-economic benefits, providing economic incentives for conservation and sustainable development, supporting decarbonization processes, and ultimately contributing to climate mitigation. Brazil has been significantly involved in compliance and voluntary carbon markets (VCM) for decades, leveraging its significant natural resource base, targeting sustainable development and climate change mitigation at the same time. More recently, Brazil witnessed an increase in private sector's interest in participating in carbon markets, particularly emphasizing nature-based solutions and carbon removal initiatives, a trend that is expected to continue with the approval of the national carbon finance legislation.

8. The Brazilian Government has committed to achieving zero deforestation by 2030 and has set ambitious targets to restore 12 million hectares of forest and recover 15 million hectares of degraded pastures. This commitment is supported by specific action plans, such as the Plan for the Prevention and Control of Deforestation in the Legal Amazon (PPCDAm) and the Plan for the Prevention and Control of Deforestation in the Cerrado (PPCerrado). The success of these goals largely depends on the cooperation of farmers, as the required actions predominantly take place on private lands. With over 90 million hectares of cattle ranching land showing signs of degradation—half of which are in severe condition, including areas within the Cerrado and Amazon—government policies like *Renovagro*¹³ and the National Program for the Conservation of Degraded Pastures or the National Plan to Restore Native Vegetation (PLANEVEG) are crucial for driving the recovery efforts. In 2010, the President approved the National Policy on Climate Change (*Política Nacional sobre Mudança do Clima*, PNMC) which laid the ground for the use of market mechanisms as tools to reduce emissions cost-effectively. In 2022, the country established the National System for the Reduction of Greenhouse Gas Emissions (SINARE)¹⁴ a centralized platform for recording GHG emissions, reductions and removals, as well as transactions of certified carbon credits.

9. The Project proposes a strategic partnership with Banco do Brasil (BB), Brazil's second largest bank and a leader in sustainability. This partnership aims to capitalize on BB's extensive network, which spans 97 percent of Brazilian municipalities, and its dominant positions in agrifinance, to foster climate change adaptation and mitigation investments. BB's commitment to sustainability is evidenced by its comprehensive socio-environmental risk management practices and compliance with international standards. The bank's sustainability initiatives are well-established, including active participation in global climate change efforts, the execution of its detailed Sustainability

¹⁰ *Plano Safra* is the Brazilian government annual plan to support the agriculture sector through subsidized credit lines.

¹¹ Agriculture refers to activities related to crop cultivation and livestock production.

¹² Ibid.

¹³ Subsidized credit line for Low-Carbon Agriculture

¹⁴ Federal Decree No. 11,075/2022



Plan (Agenda 30 BB), and recognition in various sustainability indices. BB's financial robustness, characterized by strong capitalization and liquidity, reinforces its ability to facilitate impactful climate mitigation endeavors, especially in high-emission sectors like agribusiness, where BB holds a 55 percent market share. BB has been recognized for five consecutive years as the most sustainable bank on the planet by Global Corporate Knights for its contributions to national development and is listed on the global and emerging markets portfolio of the Dow Jones Sustainability Index (DJSI) of the New York Stock Exchange and on the FTSE4Good Index Series of the London Stock Exchange.

Relationship to CPF

10. The proposed Project is aligned with the Country Partnership Framework (CPF) for Brazil CPF (FY24–FY28)¹⁵ and with the World Bank's Maximizing Finance for Development (MFD) strategy. It aligns with the existing CPF Higher Level Objectives (HLOs) of: (a) great productivity and employment; (b) greater inclusion of the poor and underserved populations; and (c) greener economy with reduced vulnerability to climate shocks.

11. The proposed project is Paris Aligned as it consistent with the country's climate commitments reflected in its new Nationally Determined Contribution (NDC), as well as the National Policy on Climate Change and supporting plans in the forest, land use and agriculture sectors. Brazil's new NDC (NDC 3.0)¹⁶, released in November 2024 at COP29, outlines the country's climate actions and commitments to 2035, including the new goal of reducing net GHG emissions by 59-67 percent by 2035 compared to 2005 levels supported by the ongoing update of the National Plan on Climate Change and sector specific Plans. More specifically, key instruments for addressing commitments on land use and forests—such as restoring 12 million hectares of forests by 2030 and achieving zero illegal deforestation— include the Plans for the Prevention and Control of Deforestation in the Biomes (PPCDAm for the Amazon and PPCerrado for the Cerrado) and the National Plan for the Recovery of Native Vegetation (Planaveg), which may be supported by environmental service payments, carbon markets, and other economic tools. In agriculture, the project will strengthen the Low-Carbon Agriculture Program (ABC+ Program 2020-2030)¹⁷ and its objectives to restore 15 million hectares of degraded pastures and boost sustainable agricultural production through sustainable practices such as no-till farming and integrated crop-livestock-forest systems. BB is integral to this initiative, uniquely investing its own capital in the ABC+ lines and leading the *Plano Safra's* resource application, thereby strengthening Brazil's resolve for sustainable development and climate action. The Project has been screened for climate change and disaster impacts and specific potential resilience-enhancing measures will be identified and properly reflected in project documents before appraisal. No specific risks with respect to the mitigation and adaptation aspects of the Paris Alignment Assessment are flagged at this stage.

12. The Project complements the World Bank Group's (WBG) engagements on the climate agenda in Brazil. The WBG is implementing a diverse program of activities in Brazil in support of the climate agenda and has a longstanding engagement at both national and subnational levels such as supporting the implementation of the Forest Code, CSA, and sectoral transitions to net-zero. Specifically, the proposed Project complements other ongoing initiatives from the WBG with Banco do Brazil including (a) a MIGA-guaranteed US\$800 million loan used by BB to provide revolving working capital loans of up to US\$2 million to farmers to support conservation agriculture and Brazil's low-carbon transition; and (b) the Brazil Climate Finance Project (P178888), that offers an integrated package of financing solutions to companies with a credible investment plan to reduce their emissions, including companies in agribusiness value chains, sustainability-linked finance and carbon finance. The WB supports several other forest restoration, bioeconomy, CSA and productive landscape programs financed by the Forest Investment Program, by Global Environment Facility (GEF) and the Climate Investment Program. In addition, land use planning, environmental registries and bioeconomy aspects have increasingly become

¹⁵ <https://documents1.worldbank.org/curated/en/099031824151014222/pdf/BOSIB1a9c64a780861b8d01b824b30cdb50.pdf>

¹⁶ [https://unfccc.int/sites/default/files/2024-](https://unfccc.int/sites/default/files/2024-11/Brazil_Second%20Nationally%20Determined%20Contribution%20%28NDC%29_November2024.pdf)

[11/Brazil_Second%20Nationally%20Determined%20Contribution%20%28NDC%29_November2024.pdf](https://unfccc.int/sites/default/files/2024-11/Brazil_Second%20Nationally%20Determined%20Contribution%20%28NDC%29_November2024.pdf)

¹⁷ The Ministry of Agriculture has developed the Sectoral Plan for Adaptation to Climate Change and Low Carbon Emission in Agriculture (2020-2030) - ABC+, which focuses on sustainable, resilient, and productive agricultural systems as solutions for adaptation and mitigation. This includes practices like no-till farming, crop-livestock-forestry integration, and proper soil management



integral part of Investment and Policy Operations at State level. In addition, by supporting the generation and monetization of high integrity carbon credits, the Project contributes to unlocking the potential of carbon markets and fully aligns with the plan and goals set out in the World Bank Engagement Roadmap for Carbon Markets.¹⁸

C. Proposed Development Objective(s)

Expand access to finance for the bioeconomy, forest restoration, and climate-smart agriculture, and enhance climate resilience for targeted beneficiaries in selected areas¹⁹.

Key Results (From PCN)

PDO Theme	PDO Indicator
Expanding access to finance	Volume of subloans disbursed under the Project (cumulative, value in US\$). Disaggregated by subloans targeted towards the bioeconomy, forest restoration or CSA)
	Beneficiaries with increased access to finance for the bioeconomy, forest restoration and CSA (number)
Improving climate resilience	Area under enhanced conservation/ management (hectares)
	Amount of GHG emissions avoided, reduced or sequestered through activities financed by Project subloans (Metric ton)

D. Concept Description

13. The proposed Project is a financial intermediary project that seeks to expand access to finance for the bioeconomy, sustainable agricultural practices and the restoration of degraded forests and pasturelands, while simultaneously advancing the climate resilience of the targeted beneficiaries. The proposed operation would be a US\$ 1,414 million project financed with a US\$400 million IBRD loan, US\$ 14²⁰ million grant funding, and at least, US\$1 billion of private capital financing. BB will be the Borrower and Project Implementing Agency of the IBRD loan. It will be implemented in 5 years.

14. The Project proposes to facilitate access to credit and innovative financing instruments and leverage private finance to scale-up impact in support of Brazil’s net-zero target, including in agriculture and land-based sectors. It advocates for enhanced credit access with extended grace periods and supplementary support measures such as technical assistance, payment for environmental services, carbon credit mechanisms for forest restoration and conservation, and initiatives aimed at creating new income opportunities, jobs, climate resilience, and social inclusion. The Project will leverage existing and innovative financial products in BB’s portfolio, capitalize on its extensive customer service and relationship network to steer the distribution of financial products to eligible borrowers, benefitting from the largest proprietary service network within the Amazon and Cerrado biomes.

¹⁸ <https://thedocs.worldbank.org/en/doc/12facd8b391a1eafa5dd53e7ddc5eeb5-0020012023/original/COP28-World-Bank-Engagement-Roadmap-for-Carbon-Markets.pdf>

¹⁹ The geographical scope of the project encompasses the following states within the Amazon and Cerrado biomes: Acre, Amazonas, Amapá, Bahia, Distrito Federal, Goiás, Maranhão, Minas Gerais, Mato Grosso do Sul, Mato Grosso, Pará, Piauí, Paraná, Rondônia, Roraima, São Paulo, and Tocantins.

²⁰ The exchange rate of 1 EUR = 1.053 US\$, as published by the European Central Bank on November 27, 2024, was applied. From the total grant of 20 million euros (equivalent to approximately 21 million US\$), 7 million US\$ will be allocated to the Additional Financing of the Brazil Climate Finance project (P503762), while 14 million US\$ will be directed toward Component 3 of the proposed project.



15. Building on the carbon finance infrastructure and capabilities supported under Brazil Climate Finance Project (P17888), the proposed Project will support BB in mobilizing upfront carbon finance by establishing a Carbon Fund. The Fund will target borrowers whose land use investments require upfront carbon finance to be financially viable. The Carbon Fund -- operated by BB -- will enable and aggregate the supply of credits generated by such land use investments. It will work to attract and secure carbon offtake agreements using the outcome bond model. BB will blend carbon fund proceeds with IBRD loan proceeds when originating sub-loans. The blending will be such that sub-loan terms make land use investments viable. This approach will help unlock the credit lines financed by the operation, driving greater adoption of sustainable land-use practices and investments.

16. The proposed project would benefit SMEs, cooperatives, farmers and rural landowners of the Amazon and Cerrado Biomes, including indigenous peoples, women, and vulnerable populations involved in forest restoration, bioeconomy value chains, and restoration of degraded pastures through the implementation of CSA practices.

17. The proposed project consists of four components: (1) Credit line to finance bioeconomy, forest restoration and CSA investments, (2) Carbon Finance, (3) Technical assistance, and (4) Project Management.

18. Component 1: Credit line to finance bioeconomy, forest restoration and climate-smart agriculture (US\$400 IBRD, US\$1 billion private capital financing). This component will finance BB's expansion of lending targeted towards the following eligible activities:

19. Subcomponent 1.1 – Bioeconomy (US\$100 million IBRD, US\$250 million private capital financing). This subcomponent aims to broaden access to credit for local SMEs, cooperatives and family farmers along bioeconomy value chains. Credits would aim to finance small productive, processing, and logistical technologies, infrastructure, and working capital.

20. Subcomponent 1.2 – Forest Restoration (US\$100 million IBRD, US\$250 million private capital financing). This subcomponent will specifically direct subloans to project beneficiaries who are working on establishing sustainable forest restoration models. Credits would aim to support activities throughout the forest production value chain, including planning, restoration, monitoring, and the processing of forest products such as timber, fruits, palms, and latex, enabling participants to create long-term, viable forest conservation and restoration practices.

21. Subcomponent 1.3 – Restoration of Degraded Pastures through CSA Practices (US\$200 million IBRD, US\$500 million private capital financing). This subcomponent aims to expand access to finance pasture restoration and facilitate a transformative shift towards CSA practices across the Amazon and Cerrado region. It will support eligible farmers to scale up the adoption of CSA practices such as no-till farming, integrated crop-livestock-forestry systems, and organic farming to improve soil health, increase biodiversity, and reduce greenhouse gas emissions. By providing access to finance, the Project will enable farmers to invest in new technologies and practices that may otherwise be out of reach due to upfront costs and perceived risks.

22. Component 2: Carbon fund (US\$70 million²¹ private capital financing). Building on the carbon finance infrastructure and capabilities supported under Brazil Climate Finance Project (P17888) and the Regional Action Program to Protect the Amazon (PASA, P180939), Component 2 will support BB in mobilizing upfront carbon finance by establishing a Carbon Fund. The Fund will target farmers and landowners whose investments require upfront carbon finance to be financially viable. The Carbon Fund -- operated by BB -- will enable and aggregate the supply of credits generated by such land use investments. It will work to attract and secure carbon offtake agreements using the outcome bond model. BB will blend carbon fund proceeds with IBRD loan proceeds when originating sub-loans. The blending will be such that sub-loan terms make land use investments viable. This approach will help unlock the credit lines financed by the operation, driving greater adoption of sustainable land-use practices and investments. As such, Component 2 will focus on activities that will allow operationalizing the Fund, while targeting both the supply and demand side of carbon crediting. On the supply side, it will facilitate the creation of contractual agreement frameworks for the aggregation and monetization of

²¹ Minimum amount estimated by BB to make land-use investments of Component 1 viable. To be refined during preparation.



credits generated by BB borrowers, the development of streamlined end-to-end carbon credit aggregation mechanisms²² (GHG accounting methodologies, Monitoring, Reporting and Verification – MRV - platform) and carbon credits certification systems, the development of registries and their integration with relevant market infrastructure to facilitate transactions. On the demand side, the component will support the development of market strategies for the sale of credits both on domestic and international markets, buyers/stakeholders’ engagement and communication plans and rollouts, a diversification strategy to enhance monetization potential by marketing credits across different segments (i.e. compliance, VCM) and by leveraging innovative financial structures such as outcome bonds and risk mitigating instruments.²³ The component will also support skills enhancement for the management of the Fund. Finally, the component will account for and align with the country’s regulatory framework to ensure compliance on both the domestic and international markets.

23. Component 3. Technical Assistance (US\$ 14 million Progreen grant funding). This component will finance technical assistance for Project beneficiaries, complementing the credit lines in Component 1 and carbon market access in Component 2. Beyond financial support, the component aims to equip beneficiaries with the necessary knowledge and skills to adopt CSA practices, restore forests and degraded land, and develop bio-economy businesses that are sustainable and climate-resilient. Leveraging BB’s extensive network, the component will also foster market access and value chain development, including initiatives like nurseries and seed collection networks. Targeted training in CSA practices and commercialization will empower farmers to adopt these innovations effectively and at scale, strengthening both climate resilience and the long-term sustainability of the sector. Capacity-building activities will also include training farmers in MRV of emissions reductions and removals generated by supported investments, leveraging BB’s MRV platform and procedures.

24. Component 4. Project Management (Banco do Brasil: US\$ 3 million²⁴). Under this component, BB, in its role as implementing entity, will form a Project Coordination Team (PCT). This team, supported by the technical areas of the institution, will comply with the terms and conditions established in the Loan Agreement regarding financial management, E&S management, procurement, monitoring and evaluation of Project activities, results monitoring, and other management related activities. Strategic coordination and monitoring of impact indicators will be carried out by BB’s Environmental, Social, and Governance (ESG) area, while oversight of credit disbursement to borrowers will be the responsibility of the managing areas of the products, under the respective directorates. BB will develop management tools included in the Project Operation Manual (POM), annual work plan, procurement plan, and disbursement projections.

Legal Operational Policies	
Policies	Triggered?
Projects on International Waterways OP 7.50	No
Projects in Disputed Area OP 7.60	No

²² A robust MRV system will be essential to ensure transparency and accountability, enabling accurate quantification and verification of impacts on greenhouse gas emissions, biodiversity conservation, and socioeconomic development. This MRV framework will provide reliable data on emissions reductions from forest restoration and low-carbon agriculture, tracking progress toward climate goals and reinforcing Banco do Brasil’s leadership in sustainable finance

²³ The proposed project will leverage complementary TA carried out under the Amazon PASA (P180939) that will target key Brazilian FIs, including BB, and that will help identify a) design options for structuring risk mitigation instruments such as MIGA Guarantees to further enhance the Carbon Fund value proposition; b) financial derisking solutions that may enhance credit profile and mitigate investment risks of transactions.

²⁴ To be defined during preparation.



Summary of Screening of Environmental and Social Risks and Impacts

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APPROVAL



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