



Project Summary Information

Date of Document Preparation: 09/14/26	
Project Name	Porto Alegre - Connectivity and Climate Preparedness Program
Project Number	P001153
AIIB member	Brazil
Sector/Subsector	Multi-sector
Alignment with AIIB's thematic priorities	Connectivity and Regional Cooperation; Green Infrastructure; Technology-enabled Infrastructure
Status of Financing	Under Preparation
Objective	The Project aims to enhance Porto Alegre's connectivity across the urban area, upgrading the transport and trade logistics network to build-back-better standards, reducing economic losses and socio-environmental impacts.
Project Description	In May 2024, the State of Rio Grande do Sul (RGS) experienced one of the most severe flood events in its history, affecting more than 2.3 million people and causing an estimated USD 17 billion in direct losses. The disaster exposed critical vulnerabilities in the Porto Alegre Metropolitan Region (PAMR), where extensive damage to transport, logistics, and urban infrastructure disrupted regional connectivity and economic activity. As the principal logistics hub of southern Brazil, Porto Alegre plays a strategic role in linking the state to national and international markets. The Project aims to safeguard both connectivity infrastructure and the continuity of the trade flows that depend on it, by reducing climate-related disruptions and recovery time. The Program will consist of three components: Component A — Upgrading Connectivity related Infrastructure (USD 196 million) Component B — Management Innovation and Institutional Strengthening (USD 2 million) Component C — Project and Project Management (USD 2 million) The Project will finance the reconstruction and upgrading of priority infrastructure assets using enhanced design standards that reflect post-2024 hydrological conditions and integrate climate resilience measures, including nature-based solutions

	where appropriate. Through a combination of infrastructure investments and institutional strengthening, the Project will help improve connectivity, reduce disruption risks, and support long-term climate resilience across the metropolitan region.
Expected Results	The Project will support more reliable operation of key logistics and connectivity infrastructure during extreme climate events, help maintain access to essential services through functioning transport links, and increase the area benefiting from enhanced flood resilience and climate preparedness.
Environmental and Social Category	A
Environmental and Social Information	Applicable Policy and Categorization. AIIB's Environmental and Social Policy (ESP), including the Environmental and Social Standards (ESSs) and the Environmental and Social Exclusion List (ESEL), will apply to this Project. Based on the initial review, ESS 1 (Environmental and Social Assessment and Management) will apply for the assessment and management of environmental and social risks and impacts associated with the Project. ESS 2 (Involuntary Resettlement) will also apply, given the potential for land acquisition, restrictions on land use and/or economic displacement. The applicability of ESS 3 (Indigenous Peoples) will be verified during due diligence, based on the Project's area of influence and the potential presence of, or impacts on, Indigenous Peoples. The Project has been initially categorized as Category A under AIIB's ESP, due to the potential for significant environmental and social (ES) risks and impacts during construction and operation. The nature, scale and significance of these impacts will be further assessed during ES due diligence (ESDD), including through the review of the relevant ES instruments. The Project categorization will also be confirmed based on the findings of the ESDD. Environmental and Social Instruments. Due to the multi-sectoral and phased nature of the Project in which not all subproject activities have been confirmed and detailed subproject designs have not yet been finalized, the Municipality will be required to establish an Environmental and Social Management Planning Framework (ESMPF) clearly describing how key potential ES risks associated with project activities will be screened, assessed, monitored and managed. The ESMPF will identify the required ES instruments for each subproject based on the findings of the initial screening. In addition to the ESMPF, the Municipality will be required to prepare a Resettlement Policy Framework (RPF) to guide the land acquisition processes, ensuring that such actions are conducted in accordance with ESS 2. Furthermore, a Stakeholder Engagement Plan (SEP) will be developed to promote and maintain meaningful engagement throughout the project cycle. Subproject ES instruments providing more detailed analyses of ES impacts and risks, and mitigation measures for individual subprojects will be prepared in accordance with the ESMPF following project approval. Environmental Aspects. The Project is expected to deliver significant environmental benefits, including improved drainage and flood control. However, adverse environmental impacts may occur if construction and operational risks are not properly managed. Pre-construction activities, such as land clearance, could affect habitats and biodiversity, while earthworks may increase soil erosion, slope instability, and sedimentation of nearby water bodies. Due diligence will confirm whether any dredging is proposed. Waste generated during construction, as well as during the maintenance and operation of new urban

infrastructure, may also pose pollution risks to the surrounding environment. Site-specific risks and impacts will be assessed, managed, and monitored in accordance with the ESMPF and the required subproject ES instruments. The Project will likely be implemented alongside flood reconstruction projects in other municipalities, therefore careful engineering design and inter-agency coordination will be essential to avoid transferring flood risk to other areas and to manage potential cumulative impacts, including on the Guaíba Lake.

Social and Gender Aspects. The Project is expected to generate significant positive social impacts by improving access to essential services, enhancing quality of life, increasing urban resilience, and creating local employment opportunities. However, based on the initial assessment, the Project will cause involuntary resettlement impacts, including potential land acquisition, restrictions on land use, and/or temporary or permanent economic displacement. These impacts will be assessed in detail during project preparation and will be managed in accordance with AIIB's ESS2. In this regard, a Resettlement Policy Framework (RPF) will be prepared in line with AIIB ESS 2 to guide the management of resettlement-related impacts once the detailed design of the subprojects is finalized. In addition, potential gender-related risks during construction may include unequal access to information and consultation, exclusion of women from decision-making, sexual harassment and GBV risks associated with workers and contractors, and safety concerns arising from traffic disruption, restricted access and temporary changes to pedestrian routes. These risks will be managed through the ESMPF, SEP, contractor Codes of Conduct, worker training, community health and safety measures, and an accessible and confidential GRM capable of receiving gender-related complaints.

Occupational Health and Safety (OHS), Labor and Employment Conditions: Municipalities in Brazil adhere to national labor laws that ensure fair labor practices and safe working conditions. In line with the ESMPF, Porto Alegre Municipality will screen all subprojects for potential labor and working condition issues, including contractor compliance, use of formal employment arrangements, and potential risks linked to subcontracted workers. The ESMPF will establish requirements to manage OHS risks, including those related to excavations, open trenches, confined spaces, heavy machinery, traffic, dust, noise, vibration, utilities, wastewater and contaminated materials. Regular monitoring site visits will verify compliance with labor standards, contractor management requirements and safety protocols.

Stakeholder Engagement, Consultation and Information Disclosure. Meaningful and inclusive stakeholder engagement and consultation will be a core component of the Project and will be carried out during the preparation of the ESMPF, Environmental and Social Impact Assessment (ESIA), and related ES instruments. In parallel, a comprehensive SEP will be developed and implemented throughout the project cycle. The SEP will identify relevant stakeholders and outline clear strategies and actions for engaging different stakeholder groups in a culturally appropriate and meaningful way. In addition, the ES instruments will be disclosed by the client and AIIB in a timely and appropriate manner, in compliance with the ESP.

Project Grievance Redress Mechanism (GRM). Porto Alegre Municipality has an existing GRM, including the municipal Ouvidoria-Geral do Município, through the me-Ouv – Sistema de Ouvidoria Municipal de Porto Alegre, and the Central de

	Atendimento ao Cidadão 156. As project level GRM, these channels allow residents to submit complaints, suggestions, compliments, criticisms and denunciations related to municipal services and the Project. The information about the project GRM and AIIB's Project-affected People's Mechanism (PPM) will be disclosed in an appropriate manner. Monitoring and Reporting Arrangements. The Project Implementing Unit (PIU) established at the municipal level will have primary responsibility for monitoring the progress and performance of the Project and will report to the Bank through the submission of quarterly progress reports based on a format agreed between the Client and the Bank. AIIB will conduct monitoring at least twice a year, including in-country supervision missions, for managing and monitoring impacts and ensuring compliance throughout the Project lifecycle, and periodic technical review visits to provide necessary implementation support at various Project stages.		
Cost and Financing Plan	Total project cost USD 200 million, including, Proposed AIIB financing USD 160 million. Municipality of Porto Alegre USD 40 million		
Borrower	Municipality of Porto Alegre		
Guarantor	Federative Republic of Brazil		
Implementing Entity	Municipality of Porto Alegre		
Estimated date of loan closing (SBF)	June 1, 2034		
Contact Points:	AIIB	Borrower	Implementation Organization
Name	Manuel Cervero Bárcena	Cezar Schirmer	Elisandro Roath do Canto
Title	Investment Officer	Secretary of Planning and Management Secretariat of Planning and Management Porto Alegre	PIU coordinator Secretariat of Planning and Management Porto Alegre
Email Address	manuel.barcena@aiib.org	cezar.schirmer@portoalegre.rs.gov.br	elisandro.canto@portoalegre.rs.gov.br
Date of Concept Decision	September 18, 2026		
Estimated Date of Appraisal Decision	Q4, 2026		

Estimated Date of Financing Approval	Q1, 2027
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Independent Accountability Mechanism	The Project-affected People's Mechanism (PPM) has been established by the AIIB to provide an opportunity for an independent and impartial review of submissions from Project-affected people who believe they have been or are likely to be adversely affected by AIIB's failure to implement its ESP in situations when their concerns cannot be addressed satisfactorily through Project-level GRM or AIIB Management's processes. For information on how to make submissions to the PPM, please visit https://www.aiib.org/en/about-aiib/who-we-are/project-affected-peoples-mechanism/how-we-assist-you/index.html.
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