



Project Summary Information

Date of Document Preparation: 09/05/24	
Project Name	BNDES Green and Sustainable Infrastructure On-Lending
Project Number	P000883
AIIB member	Brazil
Sector/Subsector	Energy
Alignment with AIIB's thematic priorities	Green infrastructure
Status of Financing	Under Preparation
Objective	To increase the capacity of renewable energy generation in Brazil and contribute to climate change mitigation.
Project Description	The proposed Project is a sovereign backed on-lending facility of up to USD250million to Banco Nacional de Desenvolvimento Economico e Social (BNDES) to support renewable energy subprojects in Brazil. BNDES is Brazil's largest national development bank, whose main purpose is to execute investment policies, and support programs, projects and services that promote economic and social development of the country. The bank plays a critical role by providing long-term financing in key segments of the economy, including sustainable infrastructure, and supports the transition to a low carbon economy.
Expected Results	<p>The expected results of the Project are increased renewable energy capacity and avoided greenhouse gas emissions. The Project's objective will be monitored with the following indicators:</p> <ul style="list-style-type: none"> • Renewable energy capacity installed (MW) • GHG emissions reduced/avoided (tons CO2 equivalent per year) <p>Progress towards the objective will be measured using the following intermediate results indicators:</p> <ul style="list-style-type: none"> • Number of subloans financed (Number) • Volume of subloans financed (USD million)
Environmental and Social Category	F1

Environmental and Social Information	<p>Applicable Policy and Categorization. AIIB's Environmental and Social Policy (ESP) applies to the Project, which has been assigned as Category FI since it involves the provision of funds through a financial institution (FI). The Environmental and Social Management System (ESMS) for the Project will be aligned with AIIB's Environmental and Social Framework (ESF), Environmental and Social Standards (ESS) and the Environmental and Social Exclusion List (ESEL). As this Project can involve Higher Risk Activities, AIIB will conduct prior review of the first three subprojects with Higher Risk Activities and all Category A subprojects. AIIB will require BNDES to furnish its detailed environmental and social due diligence (ESDD) assessment and instruments for the Bank's prior review and approval for inclusion in the Project. Coal mining, coal transportation, or coal-fired power plants, as well as infrastructure exclusively dedicated to supporting any of these activities, are excluded.</p> <p>Environmental and Social Instruments. BNDES has an existing ESMS based on IFC Performance Standards (PSs). AIIB will assess the ESMS with respect to alignment with AIIB's ESP and enhance it where required in areas such as environmental and social (ES) risk rating or categorization, referencing AIIB's ESS and ESP, particularly for subprojects with Higher Risk Activities, comprising all Category A and selected Category B subprojects. BNDES has previous experience with other MDBs such as IDB, World Bank, IFC, and AFD, and relies on internal full-time staff to implement the ESMS, which will be applied to the Project.</p> <p>Environment and Social Aspects. AIIB's financing in this Project will be used to promote renewable energy subprojects in Brazil. These subprojects are expected to present significant ES risks and impacts during the construction and operation period; these risks will be mitigated through scoping, screening, categorization, risk assessment, mitigation plans, and project monitoring and supervision. BNDES has commitments to diversity and inclusion, which is part of its environmental, social and governance (ESG) mandate. BNDES' Gender Equity and Diversity Valuing Policy affirms the bank's commitment to contribute to eliminating all forms of inequality and discrimination in BNDES' workplace and in the institutions that participate in its relationship chain. As part of the ESDD, AIIB will assess the processes for gender-related consultations to identify any perceived gender-based violence (GBV) risk or gender inequality in the sub-projects.</p> <p>Information Disclosure, Stakeholder Engagement, and Grievance Redress Mechanisms (GRM). BNDES discloses its Social, Environmental, and Climate Responsibility Policy and an overview of the ESMS on its website (link). In addition, for Category A subprojects, the required ES information will be disclosed at least sixty (60) calendar days prior to final approval of the activity for inclusion in the Project. For other subprojects involving Higher Risk Activities, ES information on the activities financed during the preceding 12 months will be disclosed annually. BNDES also has an External Communication Mechanism (ECM, link), to address third-party views, inquiries, or concerns. In addition, BNDES will disclose information on</p>
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	<p>AIIB's PPM in an appropriate manner. As part of the ESDD, AIIB will review disclosure processes and the integration of stakeholder inputs in the Project design.</p> <p>Monitoring and Reporting Arrangements. BNDES will rely on information provided directly by the sub-borrowers to conduct ESDD and monitoring of the sub-projects. BNDES will be required to submit an overview of the ES performance of the Project's portfolio every year and on an agreed template. As part of its regular supervision and monitoring, AIIB will conduct prior review of select subprojects with Higher Risk Activities and all sub projects with Category A activities, as well as post-review of implementation of other select sub-projects.</p>			
Cost and Financing Plan	Project cost: USD500 million AIIB loan: USD250million			
Borrower	Banco Nacional de Desenvolvimento Economico e Social (BNDES)			
Guarantor	Federative Republic of Brazil			
Estimated date of loan closing (SBF)	Apr. 2028			
Contact Points:	AIIB		Borrower	Implementation Organization
Name	Neeraj Jain	Suzanne Shaw	Vivian Machado	Vivian Machado
Title	Senior Investment Officer	Senior Investment Officer	Head of Funding Department	Head of Funding Department
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Date of Concept Decision	May 24, 2024			
Estimated Date of Appraisal Decision	Nov. 2024			
Estimated Date of Financing Approval	Dec. 2024			

Independent Accountability Mechanism	<p>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 Environmental and Social Policy in situations when their concerns cannot be addressed satisfactorily through Project-level GRM or AIIB Management's processes. For</p>
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	information on how to make submissions to the PPM, please visit: How We Assist You - Project-Affected People's Mechanism (aiib.org)
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