Early Warning System

AIIB-000491

Brazil: BDMG Renewables and Asia Connectivity Facility

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Quick Facts

Countries	Brazil
Specific Location	State of Minas Gerais
Financial Institutions	Asian Infrastructure Investment Bank (AIIB)
Status	Approved
Bank Risk Rating	U
Voting Date	2022-01-20
Borrower	Banco de Desenvolvimento de Minas Gerais S.A. (BDMG)
Sectors	Energy, Finance, Industry and Trade, Infrastructure
Investment Type(s)	Fund
Investment Amount (USD)	$ 100.00 million
Loan Amount (USD)	$ 100.00 million
Project Cost (USD)	$ 100.00 million

Project Description

According to the AIIB, the project development objective is to support global public goods and trade and connectivity between Brazil and Asia.

The project consists of a non-sovereign backed multisector on-lending credit facility to be implemented by Brazil-based Banco de Desenvolvimento de Minas Gerais S.A. (BDMG) for subprojects primarily located in Minas Gerais, that involve either renewable energy and eligible infrastructure related sectors that link Brazil and Asia through enhanced trade and investment flows.

Early Warning System Project Analysis

The AIIB categorized the project E&S risk as 'FI', adding that all Category A subprojects and higher risk Category B subprojects involving a) involuntary resettlement, b) risk of adverse impacts on Indigenous Peoples, c) significant risks to or impacts on the environment, community health and safety, biodiversity, cultural heritage or d) significant occupational health and safety risks, will be excluded from financing under this facility. Coal-related sub-loans including coal mining, coal transportation or coal-fired power plants, as well as infrastructure services exclusively dedicated to support any of these activities, and large dams will also be excluded.

Investment Description

- Asian Infrastructure Investment Bank (AIIB)

Financial Intermediary

Financial Intermediary: A commercial bank or financial institution that receives funds from a development bank. A financial intermediary then lends these funds to their clients (private actors) in the form of loans, bonds, guarantees and equity shares. Financial intermediaries include insurance, pension and equity funds. The direct financial relationship is between the development bank and the financial intermediary.

- Banco de Desenvolvimento de Minas Gerais SA (Financial Intermediary)

Private Actors Description

As stated by Bloomberg, Banco de Desenvolvimento de Minas Gerais S.A. provides banking services. The Bank accepts deposits, makes loans, and provides other financial and banking services for the public. Banco de Desenvolvimento de Minas Gerais serves clients in Brazil.

Contact Information

AIIB Team Leader:

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Financial Intermediary - Banco de Desenvolvimento de Minas Gerais S.A. (BDMG):

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ACCESS TO INFORMATION

You can submit an information request for project information at: https://www.aiib.org/en/contact/information-request/index.html.

ACCOUNTABILITY MECHANISM OF AIIB

The AIIB has established the Accountability Mechanism for Project-Affected People (PPM). The PPM provides “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 the ESP in situations when their concerns cannot be addressed satisfactorily through Project level GRMs or AIIB Management processes.” Two or more project-affected people can file a complaint. Under the current AIIB policy, when the bank co-finances a project with another development bank, it may apply the other bank's standards. You can refer to the Project Summary Information document to find out which standards apply. You can learn more about the PPM and how to file a complaint at: https://www.aiib.org/en/about-aiib/who-we-are/project-affected-peoples-mechanism/how-we-assist-you/index.html.

The complaint submission form can be accessed in Arabic, Bahasa Indonesia, Bengali, Chinese, English, Tagalog, Hindi, Nepali, Russian, Turkish, or Urdu. The submission form can be found at: https://www.aiib.org/en/about-aiib/who-we-are/project-affected-peoples-mechanism/submission/index.html.

Bank Documents

- Project Summary (January 10, 2022) [Original Source]

Media

- AIIB Approves First Project in Brazil