

 Early Warning System

AIIB-000491

Brazil: BDMG Renewables and Asia Connectivity Facility



Quick Facts

Countries	Brazil
Specific Location	State of Minas Gerais
Financial Institutions	Asian Infrastructure Investment Bank (AIIB)
Status	Approved
Bank Risk Rating	FI
Voting Date	2022-01-20
Borrower	Banco de Desenvolvimento de Minas Gerais S.A. (BDMG), Leonardo Leao, Head of Treasury, Funding and I
Sectors	Energy, 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

OBJECTIVE

Supporting global public goods and trade and connectivity between Brazil and Asia.

DESCRIPTION

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.

ENVIRONMENTAL AND SOCIAL INFORMATION

AIIB's Environmental and Social Policy (ESP) is applicable to this on-lending facility. The project has been placed in Category FI, and the BDMG's Environmental and Social Management System (ESMS), which is aligned with the ESP, will be used as the project's environmental and social (ES) instrument.

Sub-borrowers will use the funds to invest in subprojects that operate in renewable energy and other eligible infrastructure related sectors and may use proceeds to fund subprojects that link Brazil and Asia via enhanced trade and investment flows, across a range of sectors.

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.

BDMG will undertake an ES screening process for sub-borrowers, review sub-borrowers' compliance with the applicable ES regulatory requirements, and monitor ES performance over the loan period. Sub-borrowers are required to: (a) demonstrate the compliance of their activities with applicable ES regulatory requirements and maintain that status during the tenure of the sub-loan; (b) represent not having recently been administratively or judicially determined to be materially in breach of applicable ES regulations; (c) not be reported in mainstream social media as materially contravening good ES practices; and (d) maintain a subproject level grievance redress mechanism to address concerns of stakeholders. AIIB will retain the right to review ex post all subprojects financed under the facility. Public consultations and disclosure of ES safeguard documents at the subproject level will follow requirements of local and AIIB ES regulations.

BDMG has disclosed key elements of its ESMS and environmental indicators for its own operations on its website

. BDMG addresses third-party views, enquiries or concerns through its

External Communication Mechanism (ECM)

. AIIB has also included these links on its website.



Investment Description

- Asian Infrastructure Investment Bank (AIIB)



Contact Information

Banco de Desenvolvimento de Minas Gerais S.A. (BDMG)

Leonardo Leao

Head of Treasury, Funding and Investor Relations

leonardoleao@bdmg.mg.gov.br

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 \(January 10, 2022\)](#) [\[Original Source\]](#)