Early Warning System

IFC-44773

Bansicredi CL Gr

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Quick Facts

Countries	Brazil
Financial Institutions	International Finance Corporation (IFC)
Status	Proposed
Bank Risk Rating	A
Voting Date	2021-03-26
Borrower	Banco Cooperativo Sicredi S/A.
Sectors	Energy, Finance
Investment Type(s)	Loan
Investment Amount (USD)	$ 120.00 million

Project Description

The proposed investment consists of a 7-year loan of up to US$120 million to Banco Cooperativo Sicredi S.A. (Bansicredi or the Bank) to support the Bank’s sustainable energy finance (SEF) program focused on renewable energy (specifically photovoltaic) projects in Brazil

People Affected By This Project

Project Outcome:
Stakeholders effect - Increased access to climate finance: IFC expects that this Project will increase access to finance for climate finance in Brazil specifically through the engagement with the agriculture and energy sectors. Brazil is ranked as the 13th largest emitter in 2018 with 457MtCO2 per year and the agriculture and energy sectors are together responsible for over 60 percent of the GHG emission in Brazil. The Country is projected to continue to increase its emission stemming from the rapidly increasing agriculture production. Through the Project with IFC, Bansicredi will strengthen the operational capacity to better identify opportunities to expand its climate asset portfolio, promoting more sustainable agricultural practices. Bansicredi has an extensive reach in the rural areas and agribusinesses in Brazil, through which the Project will promote the sustainable practices in the agriculture production and the energy use. To measure the progress against this outcome, IFC will track the number and volume of outstanding climate-smart loans.

Market Creation:
Sustainability: IFC expects that the Project will contribute to an increased sustainability of the Brazilian financial sector by introducing a green funding instrument to finance green assets. An increased sustainability will be fostered via demonstration and replication, and innovation. IFC aims at achieving this via its partnership with Bansicredi, who will introduce a GLP certified funding, a first time use in the Brazilian financial sector. GLP compliant loans give transparency and comfort to the investors, as the principles provide clarification and guidance on use of proceeds permitted, process for evaluation and selection of assets, management of projects, and reporting. This way, the GLP effectively helps investors avoid opportunities that are "green washed". At the same time, GLP compliant loans may be more economically attractive for smaller institutions, for whom bond issuances are not a viable option.

Investment Description

- International Finance Corporation (IFC)

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 Cooperativo SICREDI S.A. (Financial Intermediary)

Contact Information

ACCESS TO INFORMATION

You can submit a request for information disclosure at: https://disclosures.ifc.org/#/inquiries

If you believe that your request for information from IFC has been unreasonably denied, or that this Policy has been interpreted incorrectly, you can submit a complaint at the link above to IFC's Access to Information Policy Advisor, who reports directly to IFC's Executive Vice President.

ACCOUNTABILITY MECHANISM OF IFC/MIGA

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org You can learn more about the CAO and how to file a complaint at http://www.cao-ombudsman.org