

 Early Warning System

AIIB-000713

Brazil: Vinci Climate Change Fund



Quick Facts

Countries	Brazil
Specific Location	Uninformed
Financial Institutions	Asian Infrastructure Investment Bank (AIIB)
Status	Approved
Bank Risk Rating	FI
Voting Date	2023-08-30
Borrower	Vinci Infraestrutura Gestora de Recursos
Sectors	Energy
Investment Type(s)	Loan
Investment Amount (USD)	\$ 40.00 million
Loan Amount (USD)	\$ 50.00 million
Project Cost (USD)	\$ 50.00 million



Project Description

OBJECTIVE

To support the development of low-carbon solutions in the energy and water sectors in Brazil.

DESCRIPTION

AIIB will invest USD 40 million in Vinci Climate Change A, LP (the "Fund" or "VICC") as a limited partner, with another USD 10 million in the co-investment sleeve. The Fund was launched by Vinci Infraestrutura Gestora de Recursos Ltda. ("Vinci") in 2023 (Vinci held the first closing of the strategy in 2022 through a Brazilian vehicle) with a fundraising target of USD 400 million to develop a portfolio of assets in renewables, water and sewage, and in green technologies located in Brazil.

ENVIRONMENTAL AND SOCIAL INFORMATION

Environmental and Social Policy, Standards, and Categorization.

AIIB's Environmental and Social Policy (ESP) applies to the Project, which has been assigned Category FI since it involves the provision of funds to the Fund. The Fund adopts an Environmental, Social, and Governance Framework (ESGF) in congruence with AIIB's Environmental and Social Framework (ESF), Environmental and Social Standards (ESSs), and the Environmental and Social Exclusion List (ESEL). Subject to a prior review of the initial investments, AIIB will delegate to the Fund the selection, categorization, appraisal, approval, and monitoring of the Fund's further investments in subprojects, according to the Fund's investment guidelines. The Fund's approximate pipeline will be aligned with the AIIB's sector strategies and geographies.

Environment and Social Management System (ESMS).

The Fund's Exclusion List is adequate to AIIB's ESEL and includes activities involving directly affect indigenous or tribal populations without full documented consent. The Fund's current ESGF is based on IFC's Performance Standards, incorporating ESG, climate, gender, and inclusion aspects within the investment cycle. The Fund screens investments based on an exclusion list and targets sectoral alignment (VICC Taxonomy Tool). After these two steps, the Fund measures the potential investment's exposition to ESG risks, such as resource scarcity, floods, and interference with indigenous people and areas of cultural significance, by answering a set of questions related to the economic activity and contextual issues of the Project (e.g., location), and then categorizes investments as A (High Risk), B+ (Medium-High Risk), B (Medium), and C (Low Risk) levels based on the IFC categorization scheme and its High-Risk Sectors List. In addition, AIIB will require the Fund to furnish detailed E&S due diligence (ESDD) assessments and instruments for the Bank's prior review and approval for all Category A and higher-risk subprojects for inclusion in AIIB's financing.

Environmental and Social Aspects.

The Fund will invest in a portfolio of assets in the renewables (e.g., wind power and solar power), water and sewage, transmission, energy efficiency, and clean energy sectors (e.g., green hydrogen) in various regions in Brazil. These subprojects will not directly affect indigenous people; however, they can involve people involuntary resettlement, subjected to necessary government permits and have potential construction-related environmental and social (E&S) safeguard issues, such as labor and working conditions. In addition, these subprojects may result in habitat loss, deforestation, and impacts on land use. These various E&S risks are potentially significant and will be avoided and mitigated by using good international practice and the Fund's ESGF policy complemented by monitoring and supervision by AIIB.

Labor and Working Conditions.

According to its ESGF, the Fund assesses OHS risks, including health and safety management systems, emergency planning, construction, and electrical works, during its ESG DD and risk assessment process. In addition, AIIB will also review the performance of the first three higher-risk and all Category A subprojects in terms of how they conform with Brazil's labor laws and regulations, as well as the ESG Policy, and how these are monitored and reported to the Fund.



Investment Description

- Asian Infrastructure Investment Bank (AIIB)



Contact Information

AIIB

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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 \(August 30, 2023\)](#) [\[Original Source\]](#)