

Project Summary for Public Disclosure

Project Overview	
Project Name	Fundo Clima – Brazil National Climate Fund Project
Country	Brazil
Sector	Multi-sector, Environment
Approval Date (by the Board)	14 October 2019
Loan Amount	USD 500 million
Borrower	Brazil
Implementation Agency	Ministry of Environment (MMA) of the Federative Republic of Brazil

I. Introduction

Addressing climate change is of critical importance to Brazil’s sustainable socio-economic development. Implementing climate change mitigation and adaptation measures is central to Brazil’s commitments to the Paris Agreement, and Sustainable Development Goals (SDGs). In 2015, under the Paris Agreement, Brazil submitted its Nationally Determined Contribution (NDC), with commitments of contribution to reducing greenhouse gas (GHG) emissions by 37% from 2005 levels in 2025, and a subsequent indicative contribution to reducing greenhouse gas emissions by 43% from 2005 levels in 2030. To meet its NDCs and commitments to sustainable development under the SDGs, Brazil need a significant increase in resources and investments. An investment gap of BRL 300 billion is suggested by studies from the Ministry of Environment (MMA) for Brazil to meet its climate commitments by 2030.

II. Project Description

The Project Fundo Clima – Brazil National Climate Fund Project is designed to support climate change mitigation and adaptation projects in Brazil. The NDB loan will be used by MMA under the Fundo Clima program for on-lending to climate change mitigation and adaption sub-projects in the sectors of urban mobility, waste treatment, renewable energy, and energy efficiency and etc. Brazilian Development Bank (BNDES) is the financial agent of this fund and is responsible for managing the fund’s operations. The Project will contribute to socio-economic benefits in Brazil’s priority sectors. The Project



is also expected to bring crowding-in effect for climate change adaption and mitigation financing in Brazil, with a potential to mobilize an additional USD 2 billion.

III. Environmental and Social Aspects

The positive impacts of the Project include contribution to socio-economic benefits in priority sustainable development sectors through positive environmental impacts of climate change mitigation and adaptation. The Project will support Brazilian NDC in reduction of GHG emissions as agreed in the 2015 Paris Agreement.

The Project is Category “FI-B” in line with the NDB’s Environmental and Social Framework (ESF). Main environmental and social (E&S) impacts of sub-projects may include resettlement, conversion of natural habitats, emissions during construction, occupational and community health and safety. In addition, some sub-projects will have sector-specific impacts. These risks will be mitigated by implementing country system requirements and NDB’s ESF.

IV. Financials

NDB will provide a sovereign loan of USD 500 million for the Project.

V. Implementation

The Project is to be implemented over four years. MMA will be the Project Implementation Agency. Procurement will be conducted in compliance with the national law and regulations, and meet the core principles of NDB’s policy.