

Project Summary for Public Disclosure

Project Name	BNDES Clima – Sustainable Financing to Support Global Climate Change Mitigation and Adaptation in Brazil
Country	Brazil
Sector	Multi-sector, Environment
Restructuring Approval Date	03 June 2021
Board Approval Date	28 June 2021
Total Project Cost	USD 500 million
Loan Amount	USD 500 million
Borrower	Brazilian Development Bank (BNDES)
Implementation Agency	Brazilian Development Bank (BNDES)
Guarantor	The Federative Republic of Brazil
Project Context	<p>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.</p>

<p>Project Objective</p>	<p>The Project is designed to increase investment in climate change mitigation and adaptation projects in Brazil, in line with the Brazil's commitments of GHG reductions under the 2015 Paris Agreement.</p>
<p>Project Description</p>	<p>NDB will provide a sovereign guaranteed loan to BNDES for on-lending to public and private sector for climate change mitigation and adaptation projects in Brazil. The sectors to be financed under the Project will follow national guidelines and prioritization: Renewable Energy, Efficient machinery & equipment, Sustainable Urban Mobility, Solid Waste, Sustainable cities, Native Forests, Improvement of Charcoal Processing, Carbon, Management/Services, Innovation.</p>
<p>Expected Benefits</p>	<p>The Project is intended to reduce 4,000,000 tons of CO2 emissions by 2030. The Project will also deliver various positive development results related to sustainable development in areas including urban mobility, waste treatment, renewable energy and energy efficiency. In doing so, the Project will support Brazilian NDC in reduction of GHG emissions as agreed in the 2015 Paris Agreement.</p>
<p>Environmental and Social Aspect</p>	<p>The Project has been categorized as Category FI-B in line with NDB's Environmental and Social Framework. The Project's main environmental and social impacts may include resettlement, conversion of natural habitats, emissions during construction, occupational and community health and safety. The negative impacts will be mitigated by adherence to country system requirements, BNDES' E&S policies, and the implementation of an Environmental and Social Impact Management Plan.</p>

<p>Implementation</p>	<p>BNDES will be responsible for the overall Project monitoring and evaluation, including selection of sub-projects, collection of all information and supervision of sub-project performance. Sub-borrowers from the public and private sectors will be responsible for planning and implementing sub-projects and sharing implementation reports with BNDES. The Project will be implemented in four years.</p>	
<p>Contacts</p>	<p>NDB</p>	<p>Borrower and Implementation Agency</p>
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