



### Project Summary Information

Date of Document Preparation: 05/30/25	
<b>Project Name</b>	BNDES Green and Sustainable Infrastructure On-Lending
<b>Project Number</b>	P000883
<b>AIIB member</b>	Federative Republic of Brazil
<b>Sector/Subsector</b>	Energy
<b>Alignment with AIIB's thematic priorities</b>	Green infrastructure
<b>Status of Financing</b>	Under Preparation
<b>Objective</b>	To increase the capacity of renewable energy generation in Brazil and contribute to global climate change mitigation.
<b>Project Description</b>	The proposed Project is a sovereign-backed on-lending facility of up to USD250 million to Banco Nacional de Desenvolvimento Econômico e Social (BNDES) to support renewable energy subprojects in Brazil. BNDES is Brazil's largest national development bank, whose main purpose is to execute investment policies, and support programs, projects and services that promote the economic and social development of the country. BNDES plays a critical role by providing long-term financing in key segments of the economy, including sustainable infrastructure, and supports the transition to a low-carbon economy.
<b>Expected Results</b>	<p>The expected results of the Project are increased renewable energy capacity and avoided greenhouse gas emissions. The Project's objective will be monitored with the following indicators:</p> <ul style="list-style-type: none"> <li>• Renewable energy capacity installed (MW)</li> <li>• GHG emissions reduced/avoided (tons CO2 equivalent per year)</li> </ul> <p>Progress towards the objective will be measured using the following intermediate results indicators:</p> <ul style="list-style-type: none"> <li>• Number of subloans financed (Number)</li> <li>• Volume of subloans financed (USD million)</li> </ul>
<b>Environmental and Social Category</b>	FI

<b>Environmental and Social Information</b>	<p><b>Applicable Policy and Categorization.</b> AIIB's Environmental and Social Policy (ESP), including Environmental and Social Standards (ESSs), applies to this on-lending credit facility. The Project has been placed in Category FI because the financing structure involves the provision of funds through an FI, whereby BNDES is responsible for the selection, appraisal, approval, and monitoring of sub-projects and the oversight of the sub-borrowers in line with AIIB's ESP requirements. Coal mining, coal transportation, coal-fired power plants, and infrastructure exclusively dedicated to supporting any of these activities will be excluded. BNDES under its Exclusion List (link to <sup>[2]</sup> <a href="#">BNDES Exclusion List and Conditional Support</a>) identifies activities, projects and items excluded from BNDES financing. This exclusion list substantively aligns with AIIB's ES Exclusion List. For all subprojects with higher-risk activities (all Category A and selected Category B as determined by AIIB ESP), applicable ESSs under AIIB's ESP will be applicable.</p> <p><b>Environmental and Social Management System (ESMS).</b> BNDES adopts a risk-based approach to Environment and Social (ES) management, as codified in its ESMS. The ESMS of BNDES draws organizational commitment through a Social Environmental Responsibility Policy (PRSA, 2019) (link to <sup>[1]</sup> <a href="#">BNDES Socioenvironmental Policy</a>) This commitment requires that ES risks in all projects receiving financing from BNDES are to be managed through the ESMS and in accordance with Brazilian legislation, ES standards and good international practices. In line with AIIB's ESP, BNDES' ESMS classifies ES risk category according to sector, activity type, location, magnitude and attribute of the ES risks and impacts. This classification system also refers to the International Finance Corporation (IFC) Performance Standard 1 for necessary guidance for determination of ES risk category. Project Operation Manual (POM) will detail additional aspects to achieve compliance with regards to AIIB's ES risk classification and the application of ES standards (ESS) for higher-risk activities. In addition, BNDES has good experience with other MDBs ES practices and relies on qualified and competent internal full-time staff to implement the ESMS. BNDES includes ES Management within its internal training programs and regularly identifies areas for training and capacity building to further strengthen effective implementation of its ESMS.</p> <p><b>Environment and Social Aspects.</b> The proceeds of the Project will be used to on-lend to renewable energy projects in Brazil. BNDES' lending to these energy projects can present ES risks due to impacts of project development and operations, especially in environmentally and socially sensitive areas. In wind power projects, the impacts are expected in relation to avian flight patterns, noise pollution, shadow flickering and blade throw setback areas. In solar power projects, the impacts are expected in respect of labor and working conditions, water consumption and water treatment around the cleaning of solar panels. Risks related to land acquisition, Indigenous Peoples, and livelihoods may be present and will be assessed on a case-by-case basis prior to consideration for financing. ES risks and impacts will be managed and mitigated using the BNDES ESMS, which includes scoping, screening, categorization, risk assessment, mitigation plans, and project monitoring and supervision at the time of implementation. BNDES does not finance any projects that do not have regulatory approvals</p>
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and other valid licenses. BNDES reviews potential gaps in the sub-borrowers' ES measures and prepares and agrees with the sub-borrower additional ES measures to be adopted and implemented and monitors the progress and ES performance during the implementation and monitoring phase.

**Gender, Diversity and Inclusion.** BNDES has commitments to diversity and inclusion, which is part of its environmental, social and governance (ESG) mandate. BNDES' Gender Equity and Diversity Valuing Policy affirms the bank's commitment to contribute to eliminating all forms of inequality and discrimination in BNDES' workplace and in the institutions that participate in its relationship chain. BNDES' diversity, equity and inclusion actions are aimed at encouraging diversity, equity and inclusion within the scope of people management at the bank, which includes training, raising awareness and promoting an inclusive culture, monitoring demographic indicators and selection processes.

**Occupational Health and Safety (OHS), Labor and Employment Conditions.** BNDES follows labor legislation and ensures no financing to any projects with non-compliance with labor legislation. Labor and working conditions in the supply chain of solar photovoltaic subprojects will be assessed as per the provisions of the POM. Eligible subprojects under this facility are required to comply with (i) the labor laws and standards of the Brazilian legislation, as well as (ii) the provisions of AIIB's ESP on labor and working conditions implemented per POM. BNDES will assess and mitigate labor and working conditions as well as occupational health and safety risks in subprojects in accordance with BNDES ESMS and POM.

**Information Disclosure, Stakeholder Engagement, and Grievance Redress Mechanism (GRM).** BNDES discloses its Social, Environmental, and Climate Responsibility Policy and an overview of the ESMS on its website ([link](#)). BNDES' ES policies and disclosure process for medium and low risks subprojects align with AIIB's ESP. For Category A subprojects, ES instruments are to be disclosed 60 days prior to AIIB approving the subproject. On a semi-annual basis, a summary of ES aspects and overview of ES performance of the sub-projects under the facility will be prepared and disclosed through on-line channels. BNDES considers public/stakeholder consultation as an important step for its policy review ([link](#)) as well as subproject financing. In addition, per Brazilian legislation, public/stakeholder consultation plays an important role in granting environment licenses or approvals. BNDES also has an External Communication Mechanism (ECM, [link](#)), as the project-level GRM of the Project, to address third-party views, inquiries, or concerns. Information on AIIB's Project-affected People's Mechanism (PPM) will be disclosed in an appropriate manner.

**Monitoring and Reporting Arrangements.** BNDES will be responsible for monitoring the progress of subprojects at the sub-borrower level, individually and collectively. It will be required to closely monitor the progress of the sub-loans through site visits and management interviews, as per provided in the POM. BNDES is required to prepare semi-annual ES performance reports based on agreed format for all sub-projects and submit to AIIB for review. AIIB will retain the right to

	receive prior notification of potential loans to Higher-Risk subprojects, conduct prior review and supervise BNDES' application of its ESMS and POM. AIIB will conduct site visits on an annual basis to selected subprojects and sub-borrowers in consultation and together with BNDES' representatives.			
<b>Cost and Financing Plan</b>	Project cost: USD500 million AIIB loan: USD250 million			
<b>Borrower</b>	Banco Nacional de Desenvolvimento Econômico e Social (BNDES)			
<b>Guarantor</b>	Federative Republic of Brazil			
<b>Estimated date of loan closing (SBF)</b>	Mar 2031			
<b>Contact Points:</b>	<b>AIIB</b>		<b>Borrower</b>	<b>Implementing Organization</b>
<b>Name</b>	Neeraj Jain	Suzanne Shaw	Vivian Machado	Vivian Machado
<b>Title</b>	Senior Investment Officer	Senior Investment Officer	Head of Funding Department	Head of Funding Department
<b>Email Address</b>	neeraj.jain@aiib.org	suzanne.shaw@aiib.org	viviansantos@bndes.gov.br	viviansantos@bndes.gov.br
<b>Date of Concept Decision</b>	May 24, 2024			
<b>Date of Appraisal Decision</b>	Apr. 18, 2025			
<b>Estimated Date of Financing Approval</b>	Sep. 2025			

<b>Independent Accountability Mechanism</b>	The Project-affected People's Mechanism (PPM) has been established by the AIIB to provide 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 its ESP in situations when their concerns cannot be addressed satisfactorily through Project-level GRM or AIIB Management's processes. For information on how to make submissions to the PPM, please visit: <a href="https://www.aiib.org/en/projects/affected-people">How We Assist You - Project-Affected People's Mechanism (aiib.org)</a>
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