



### Project Summary Information

Date of Document Preparation: August 30, 2023	
<b>Project Name</b>	Vinci Climate Change Fund
<b>Project Number</b>	P000713
<b>AIIB member</b>	Brazil
<b>Sector/Subsector</b>	Energy / Multi-subsector
<b>Alignment with AIIB's thematic priorities</b>	Green infrastructure; Private Capital Mobilization
<b>Status of Financing</b>	Approved
<b>Objective</b>	To support the development of low-carbon solutions in the energy and water sectors in Brazil.
<b>Project Description</b>	<p>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.</p> <p>VICC is an Article 9 Fund, for more information, please find the disclosures on Vinci’s website, via the following link: <a href="#">Vinci Partners</a>.</p>
<b>Expected Results</b>	<p>The project includes the following indicators:</p> <ol style="list-style-type: none"> <li>1) Renewable energy capacity installed (MW)</li> <li>2) Greenhouse gas emissions avoided (tons of GHG equivalent / year)</li> <li>3) Financing contributed to climate change adaptation (percentages)</li> <li>4) Gross AIIB amount into climate mitigation and/or adaptation facilities (USD million)</li> <li>5) Number of investments into climate mitigation facilities</li> <li>6) Private capital mobilized (USD million)</li> <li>7) Women in total workforce in all portfolio companies (percentages)</li> </ol>

<b>Environmental and Social Category</b>	FI
<b>Environmental and Social Information</b>	<p><b>Environmental and Social Policy, Standards, and Categorization.</b> 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.</p> <p><b>Environment and Social Management System (ESMS).</b> 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&amp;S due diligence (ESDD) assessments and instruments for the Bank's prior review and approval for all Category A and higher-risk<sup>1</sup> subprojects for inclusion in AIIB's financing.</p> <p><b>Environmental and Social Aspects.</b> 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</p>

<sup>1</sup> Higher Risk Activities include the following activities financed by the Bank through the FI: (a) all Category A activities; and (b) selected Category B activities, as determined by the Bank, that may potentially result in: (i) Land Acquisition or involuntary resettlement; (ii) significant risks to or impacts on the environment, community health and safety, biodiversity, and/or cultural resources; (iii) significant retrenchment of more than 20 percent of direct employees and recurrent contractors; and/or (iv) significant occupational health and safety risks.

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.

**Social.** Key social risks associated with the Projects can be related to the physical and/or economic displacements by land acquisition. The Project and Associated Facilities' land requirement process is evaluated, and appropriate mitigation measures primarily to restore and/or improve the livelihoods of Project-affected people will be addressed through the ESMS. In addition, risks of Gender-based violence (GBV) and related social tensions due to labor influx were evaluated and informed in preparing dedicated mitigation measures, included on the E&S Action Plan (ESAP).

**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.

**Stakeholder Engagement, Consultation, and Information Disclosure.** Vinci discloses [Environmental, Social and Governance Manual](#)<sup>[1]</sup> with an overview of ESMS as well as annual [ESG report on its official website](#)<sup>[2]</sup>, and describes the E&S policy and procedure that are aligned since 2012 with the Principles for Responsible Investment (PRI), the main international commitment within the scope of the UN on the agenda. Vinci will require the Stakeholder Engagement Plan (SEP) and the integration of local community demand in the project design. The Fund will be required to disclose timely an overview of finalized ESGF in English and Portuguese and the name, industry, and location of subprojects supported with AIIB's proceeds within twelve months of closing an investment. Furthermore, the Fund requires all subprojects to conduct appropriate stakeholder engagement, and to confirm the disclosure of the required E&S documentation, in particular, E&S information for Category A subproject instruments (e.g., ESIA, ESMP, ESAP, RAP, etc.) at least 60 calendar days before the approval of the financial support,

[1] <https://vinciinstitutionalprd.blob.core.windows.net/doc/1828264421.pdf>

[2] [https://www.vincipartners.com/img/Relat%c3%b3rio%20ESG%20VP%202022%20-%20EN\\_FINAL.pdf](https://www.vincipartners.com/img/Relat%c3%b3rio%20ESG%20VP%202022%20-%20EN_FINAL.pdf)

	<p><b>Project's Grievance Redress Mechanism (GRM).</b> The Fund has an External Communication Mechanism (ECM)<sup>[3]</sup> as project-level GRM to address third-party views, inquiries, or concerns regarding their own E&amp;S processes and outcomes and E&amp;S impacts and performances of their subprojects. In addition, the Fund requires all subprojects to establish and maintain effective subproject-level GRMs, and to provide information on Funder's ECM (project-level GRM) and AIIB's Project-affected People's Mechanism (PPM) to the stakeholders timely in an appropriate manner.</p> <p><b>Monitoring and Supervision Arrangements.</b> Vinci will monitor quarterly on-site visits by the E&amp;S Officer for A and B+ projects and semi-annual on-site visits for other projects, with the support of external advisors. In addition, Vinci needs to maintain a comprehensive database comprising all relevant E&amp;S information and report to AIIB a summary of the E&amp;S aspects and overview of the E&amp;S performance of the Project's portfolio every year and on an agreed template AIIB will conduct a pre-assessments and post-reviews of the selection and implementation of subprojects as part of its regular supervision, comprising engagement with Vinci, potential site visits and detailed review of the E&amp;S documentation of all Category A subprojects and other selected subprojects.</p>	
<b>Cost and Financing Plan</b>	USD 40 million in the Fund with USD 10 million in the co-investment sleeve	
<b>Investee Company</b>	Vinci Climate Change A, LP	
<b>Estimated Date of first disbursement (Fund)</b>	October 2023	
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<b>Title</b>	Investment Officer	Principal – Structuring and Investor Relations

<sup>[3]</sup> Vinci Partners Group already has a reporting channel controlled by an independent third party that guarantees stakeholder anonymity. See the links below: <https://www.vincipartners.com/home/contato> and <https://integritycounts.ca/org/vincipartners>

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<b>Date of Concept Decision</b>	March 1, 2023	
<b>Date of Appraisal Decision</b>	June 21, 2023	
<b>Estimated Date of Financing Approval</b>	August 30, 2023	

<b>Independent Accountability Mechanism</b>	<p>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 Environmental and Social Policy in situations when their concerns cannot be addressed satisfactorily through Project-level GRM (ECM) or AIIB Management's processes.</p> <p>For information on how to make submissions to the PPM, please visit: <a href="#">How We Assist You - Project-Affected People's Mechanism (aiib.org)</a></p>
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