



Project Summary Information

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| Date of Document Preparation: July 19, 2024 | |
| Project Name | Patria Infrastructure Fund V |
| Project Number | P000636 |
| AIIB member | Multicountry |
| Sector/Subsector | Multi-sector |
| Alignment with AIIB's thematic priorities | Green infrastructure; Connectivity and Regional Cooperation; Private Capital Mobilization |
| Status of Financing | Approved |
| Objective | To promote climate change mitigation and cross-border connectivity with Asia by investing in renewable energy, sustainable transportation and logistics, and digital infrastructure in Latin America. |
| Project Description | AIIB will invest USD75 million in Patria Infrastructure Fund V (the Fund) as a limited partner and with another USD25 million as co-investment sleeve. The Fund targets to develop, operate, and divest in a diversified portfolio of infrastructure and infrastructure-related assets or platforms to achieve capital gains through realization of investments in Latin America, especially in Brazil (the Investment, the Project). |
| Expected Results | <ol style="list-style-type: none"> 1) Gross AIIB amount into assets that promote connectivity to Asia (toll-roads, ports, digital infrastructure, measured in percentages) 2) Greenhouse gas emissions avoided (tons of GHG equivalent / year) 3) Private capital mobilized (USD million) 4) Data processing and storage capacity developed (MW) 5) Roads constructed, rehabilitated, or maintained (additional lanes constructed for toll road projects) (KM) 6) Incremental cross-border flow of goods on new/improved toll roads (million vehicles) 7) Renewable energy capacity installed (MW) 8) Gross AIIB amount into renewable energy facilities (USD million) 9) Transportation volume increase in the new toll roads (millions of vehicles) 10) Cross-border connectivity indicator: heavy traffic volume increase (million vehicles) |

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| Environmental and Social Category | FI |
| Environmental and Social Information | <p>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. An Environmental and Social Management System (ESMS) of the Project is broadly aligned with AIIB's Environmental and Social Framework (ESF), Environmental and Social Standards (ESS) and the Environmental and Social Exclusion List (ESEL). However, as this Project can involve higher-risk activities, AIIB will require a detailed prior review of the first three sub-projects and all Category A and higher-risk Category B subprojects to facilitate the Fund's compliance with AIIB's ESP requirements. AIIB will require the Fund to furnish detailed environmental and social due diligence (ESDD) and instruments for the Bank's prior review and approval for all Category A and higher-risk Category B subprojects. Coal mining, coal transportation, or coal-fired power plants, as well as infrastructure exclusively dedicated to supporting any of these activities, are excluded.</p> <p>Environmental and Social Instruments. The Fund has an ESMS based on IFC Performance Standards (PSs) and broadly aligned with AIIB's ESP. The Bank reviewed the ESMS and agreed to an Environmental and Social Action Plan (ESAP) to address the gaps of the ESMS with AIIB's ESP requirements in a time bound manner. The ESAP includes provisions related to screening, categorization, assessment, monitoring and reporting of subprojects, AIIB's rights for pre-approval for higher-risk activities, gender, worker's grievance redress mechanism (GRM) at subproject level, disclosure of environmental and social (E&S) instruments, and access to the Project-affected Peoples Mechanism (PPM) of the Bank.</p> <p>Environment and Social Aspects. The Fund will invest in the Latin America region's water, transportation, data centers, communications, and renewable energy projects. These projects are expected to involve a variety of E&S issues, including impacts on communities' health and safety, Indigenous Peoples, sensitive habitats, ecosystems and services, Occupational Health and Safety risks (OHS), employment and working conditions, involuntary resettlement, and land acquisition. These E&S risks will be mitigated using the Fund Manager's ESMS policy and ESAP for each sub-project, complemented by monitoring and supervision by AIIB. The Fund's ESMS also addresses requirements to assess risks with respect to suppliers and contractors at subproject level. Representations and warranties on labor and working conditions to be provided by suppliers and contractors to the subprojects will be incorporated into agreements and contracts.</p> |

Indigenous Peoples. Potential impacts on Indigenous People and traditional communities are assessed in the scope of the ESG due diligence. As required in the Fund's ESMS, if Indigenous Peoples or traditional communities are present in the Project area or are likely to be affected by material socio-environmental impacts, ESS 3 (Indigenous Peoples) will be triggered and an Indigenous Peoples' Plan (IPP) will be prepared, including provisions for broad community support to engage with them based on IFC PS 7.

Climate Change. The Fund's ESMS includes climate assessment during ESG Due Diligence, based on SFDR Principles for Adverse Impacts and IFC PSs. Climate-related issues are thoroughly analyzed throughout the ESG Due Diligence reports, and climate-related externalities, risks, and opportunities are assessed based on TCFD Recommendations. The desalinization plant and data centers will be substantially supplied by renewable energy sources. GHG monitoring (Scopes 1 and 2) and applicable climate-related KPIs for the Monitoring and reporting phase based on SASB industry-specific issues are required for all subprojects in the ESMS.

Gender. The transition to sustainable energy creates benefits and opportunities for women and men, such as employment generation, market opportunities, and better health conditions. Patria has a Diversity and Inclusion Policy promoting a more inclusive and innovative workplace, enhancing problem-solving, talent retention, and innovation, contributing to long-term value generation. As a result of the ESDD, the ESAP includes measures to address actions to mitigate the risks related to gender risks, including gender-based violence (GBV), sexual exploitation and abuse (SEA), sexual harassment (SH), and disproportionate impacts on gender, at the Project and sub-project level for project-affected communities and project workers.

Information Disclosure, Stakeholder Engagement, and Grievance Redress Mechanisms. The Fund's Responsible Investment Policy (RIP) and a summary of ESMS has been publicly disclosed on its website ([link](#)). As part of the ESAP, the Fund will disclose the name, industry, and location of subprojects supported with AIIB's proceeds within twelve months of closing an investment. The Fund has an External Communication Mechanism (ECM, [link](#)), as project-level GRM, to address third-party views, inquiries, or concerns regarding their own E&S processes and outcomes and E&S impacts and performances of their subprojects. In addition, the Fund's sub-projects will conduct appropriate stakeholder engagement, disclose at an appropriate time the required E&S documentation (in Portuguese and summaries in English) and provide information on subproject-level GRM timely and, as part of the ESAP, the Fund will also disclose information on AIIB's PPM in an appropriate manner.

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| | Monitoring and Reporting Arrangements. Patria will rely on information provided directly by the sub-borrowers to conduct ESDD and ongoing monitoring of the sub-projects. The Fund will be required to maintain a comprehensive database comprising all relevant E&S information and report to AIIB a summary of the E&S aspects and an overview of the E&S performance of the Fund's portfolio every year and on an agreed template. AIIB will conduct prior review of the first three sub-projects and all Category A and higher-risk Category B subprojects to facilitate the Fund's compliance with AIIB's ESP requirements. and post-review of the selection and implementation of sub-projects as part of its regular supervision, comprising engagement with Patria, potential site visits, and detailed review of the E&S documentation of selected sub-projects. | |
| Cost and Financing Plan | USD 75 million in the Fund with USD 25 million in the co-investment sleeve | |
| Investee Company | Patria Infrastructure Fund V | |
| Estimated Date of first disbursement (Fund) | 2H 2024 | |
| Contact Points: | AIIB | Patria |
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| Date of Concept Decision | January 18, 2023 | |
| Date of Appraisal Decision | June 12, 2024 | |
| Date of Financing Approval | July 18, 2024 | |

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| Independent Accountability Mechanism | 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 Grievance Redress Mechanisms or AIIB Management's processes. For information on how to make submissions to the PPM, please visit: How We Assist You - Project-Affected People's Mechanism (aiib.org) |
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