



### Project Summary Information

Date of Document Preparation: 04/07/25	
<b>Project Name</b>	The Program for Development and Resilience for the Southern Region Project
<b>Project Number</b>	P000975
<b>AIIB member</b>	Brazil
<b>Sector/Subsector</b>	Multi-sector
<b>Alignment with AIIB's thematic priorities</b>	Green infrastructure; Connectivity and Regional Cooperation
<b>Status of Financing</b>	Under Preparation
<b>Objective</b>	To rebuild flood damaged infrastructure that enables trade with Asia, to restore livelihoods, and reduce the impacts of future climate events in the State of Rio Grande do Sul through a sovereign-backed on-lending program.
<b>Project Description</b>	<p>The Program for Development and Resilience for the Southern Region (the Project) will support post-disaster recovery of trade-enabling infrastructure, in the sectors of water, flood management, urban, transport, social and other infrastructure. This infrastructure is critical for the support of the State's export-based economy, as well as social and economic recovery of southern Brazil. The Project will be a sovereign-backed on-lending facility that will allow AIIB's funding to reach smaller borrowers that AIIB would not normally work with directly. Best practices in enhancing climate resilience will be applied throughout the post-disaster reconstruction, with nature-based solutions incorporated wherever possible.</p> <p>The Project comprises the following components:</p> <ul style="list-style-type: none"> <li>A. Investment in projects that contribute to the economic recovery for Rio Grande do Sul and enable export-based trade (public and private);</li> <li>B. Investment in Energy Transition and Sustainable Infrastructure, including renewable energy, Climate-positive investments, sustainable urban mobility, investments in trade-enabling infrastructure; and</li> <li>C. Investment in climate resilience sub-projects in the public and private sectors.</li> </ul>
<b>Expected Results</b>	Key indicators being considered include improved access to green energy, enhanced disaster preparedness, reduced greenhouse gas emissions, strengthened trade-enabling infrastructure and export connectivity with Asia.

<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) and Environmental and Social Exclusion List (ESEL), applies to the Project. The Project is classified as Category FI because it involves the provision of funds through a Financial Institution (FI). Under this financing arrangement, AIIB will delegate to Regional Development Bank of the Extreme South (BRDE) the decision-making authority regarding the allocation of AIIB's funds to sub-projects that meet the agreed-upon conditions. This includes the selection, appraisal, approval, and monitoring of sub-projects, as well as the oversight of sub-borrowers and sub-projects, in compliance with AIIB's ESP requirements.</p> <p><b>Environmental and Social Instruments:</b> BRDE has an approved Social, Environmental, and Climate Responsibility Policy (<a href="#">link</a>) which sets out principles and criteria to ensure that its investments align with best sustainability practices, and in addition, as a regional development bank in Brazil, BRDE has its own Environmental and Social Management System (ESMS). AIIB will assess BRDE's ESMS and make recommendations for enhancement as needed, referencing AIIB's ESP, ESSs, and ESEL, particularly for higher risk sub-projects comprising all Category A and selected Category B sub-projects. In parallel with identifying opportunities to enhance BRDE's ESMS, a Project Operational Manual (POM) will be prepared which will guide the selection, monitoring, and evaluation of sub-projects implemented by sub-borrowers, and include provisions to address gaps identified in BRDE's ESMS.</p> <p><b>Environmental and Social Aspects:</b> To ensure environmental and social (ES) compliance, due diligence will be conducted on the sub-projects on which BRDE intends to on-lend. Sub-projects may present various ES risks especially where infrastructure works are involved. Such risks may relate to health and safety, noise and dust generation, pollution due to improper waste management, biodiversity impacts and losses due to rehabilitation and modernization of transport and other energy infrastructure. BRDE will be required to confirm that sub-projects do not involve significant land acquisition or take place on Indigenous Peoples' lands. In addition, based on ES Due Diligence (ESDD) process, an Environmental and Social Action Plan (ESAP) will be prepared with BRDE to address any outstanding issues within a defined timeframe. As part of the ESDD, the Bank will also assess the processes for gender-related consultations to identify any perceived gender-based violence (GBV) risk or gender inequality in the sub-projects. Adverse ES risks will be managed and mitigated through BRDE's ESMS and the ESAP. BRDE has prior experience with other MDBs and relies on internal full-time staff to implement the ESMS. AIIB will assess BRDE's technical capacity and identify areas for training and capacity building to effectively implement the ESMS.</p>

	<p><b>Occupational Health and Safety, Labor and Employment Conditions:</b> As part of its ESMS, BRDE will screen all sub-projects for potential labor and working conditions issues. The ESMS will also incorporate requirements to identify and mitigate health, safety, social, and environmental risks associated with sub-project activities that may impact employees and disrupt site operations. In general, Brazilian labor laws establish high occupational safety and health (OSH) standards, and worker awareness of these standards is strong. This will be confirmed through monitoring site visits to BRDE clients, to confirm compliance with ESMS.</p> <p><b>Information Disclosure and Grievance Redress Mechanism (GRM):</b> BRDE has an Information Disclosure Policy (<a href="#">link</a>) which seeks to ensure the dissemination of information related to BRDE and specify the content that must be made available to the public through BRDE's official communication channels. Therefore, BRDE discloses its Social, Environmental, and Climate Responsibility Policy and an overview of the ESMS on its website. Additionally, BRDE has an External Communication Mechanism (ECM) known as the Ombudsperson (<a href="#">link</a>), which will be the GRM of the Project to facilitate clarifications, dispute resolution, and enhance engagement between BRDE, its clients, and the general public. AIIB will assess BRDE's ESMS for provisions that verify the functioning of sub-project level GRMs. The information of established GRMs and the Project-affected People's Mechanism (PPM) of the Bank will be timely disclosed in an appropriate manner.</p> <p><b>Monitoring and Reporting Arrangements:</b> BRDE will be responsible for the implementation of the Project. A Project Implementation Unit will be set up and operationalized within BRDE, which will serve as the main implementing team of the Project and assume primary responsibility for monitoring the progress and performance of the Project. BRDE will be required, based on agreed format, to prepare and submit bi-annual ES performance reports to AIIB for review. The Bank will retain the right to conduct prior reviews and receive advance notifications of potential loans to higher-risk sub-projects. Additionally, the Bank will supervise BRDE's application of its ESMS on an annual basis.</p>
<b>Cost and Financing Plan</b>	<p>Cost: USD300 million</p> <p>AIIB: USD300 million</p>
<b>Borrower</b>	Banco Regional de Desenvolvimento do Extremo Sul/ Regional Development Bank of the Extreme South (BRDE)
<b>Guarantor</b>	Ministry of Finance of Brazil
<b>Implementing Entity</b>	BRDE

<b>Estimated date of loan closing (SBF)</b>	September/2027		
<b>Contact Points:</b>	<b>AIIB</b>	<b>Borrower</b>	<b>Implementation Organization</b>
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<b>Date of Concept Decision</b>	04/07/25		
<b>Estimated Date of Appraisal Decision</b>	Q3 2025		
<b>Estimated Date of Financing Approval</b>	Q3 2025		

<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 ESP in situations when their concerns cannot be addressed satisfactorily through Project-level GRMs or AIIB Management's processes. For information on how to make submissions to the PPM, please visit: <a href="https://www.aiib.org/en/policies-strategies/operational-policies/policy-on-the-project-affected-mechanism.html">https://www.aiib.org/en/policies-strategies/operational-policies/policy-on-the-project-affected-mechanism.html</a></p>
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