



Program Summary Information

Date of Document Preparation: Nov. 4, 2025

Program Name	Brazil Value-Enhancing Reforms for Development and Ecological Sustainability (VERDES) Climate Policy-Based Financing
Program Number	P000977
AIIB member	Brazil
Sector/Subsector	Multi-sector
Alignment with AIIB's thematic priorities	Green infrastructure
Status of Financing	Approved
Objective	The Program supports the Government of Brazil's actions toward achieving the climate goals articulated in the Nationally Determined Contributions (NDCs) through policy and institutional measures required to implement the Ecological Transformation Plan (ETP) in the areas of sustainable finance, energy transition and green and resilient infrastructure.
Program Description	<p>While Brazil faces rising challenges from climate change particularly in the agricultural sector and urban areas, Brazil is taking steps forward to strengthen its capability to rein in greenhouse gas (GHG) emissions through strategic policy and institutional reforms and innovative financial, economic, and social instruments such as carbon market, blended climate finance, technology development and community participation in forest conservation. These innovative instruments are also aiming at attracting greater private sector investment in sustainable and climate- friendly projects and programs.</p> <p>To support the government's NDC ambition to move toward net zero in 2050 and a resilient development pathway under the ETP platform that guides nationwide coordination and implementation, AIIB designed the Brazil VERDES Climate Policy-Based Financing (CPBF) Program in close collaboration with the Government of Brazil and in coordination with two development policy financing programs led by the World Bank and the Inter-American Development Bank.</p> <p>The Program comprises three Pillars and corresponding Policy Actions that are closely aligned with the three thematic areas of the ETP:</p> <p>Pillar 1 – Sustainable Finance: Direct public and private, national and international financial resources to sustainable activities, low carbon growth, resilience, ecological transformation and biome regeneration.</p> <p>Pillar 2 – Energy Transition: Promote innovative technologies in the area of sustainable bioenergy with competitive cost and value chains.</p>

	Pillar 3 – Green and Resilient Infrastructure: Build resilience of critical natural assets and infrastructure to mitigate and address potential impacts of climate change, as well as protect and restore critical natural ecosystems.
Expected Results	Expected results include a governance structure for the carbon market, mobilization of private resources for sustainable infrastructure investment and forest conservation, promotion of blending sustainable aviation fuel to reduce emissions, development of an early warning system structure for extreme heat events, and expansion of areas for forest and mangrove restoration and conservation.
Environmental and Social Category	Not Applicable
Environmental and Social Information	<p>Applicable Policy and Categorization. AIIB's Environmental and Social Policy (ESP), including the Environmental and Social Exclusion List (ESEL) and provisions related to CPBF set forth in Section 16 of the ESP, are applicable to this Program. Therefore, the provisions on Environmental and Social (ES) categorization in the ESP do not apply to this Program. The Program focuses on policy and institutional reforms that do not entail involuntary resettlement or impact the lives of Indigenous Peoples, which will result positive ES impacts both in terms of health benefits as well as security of land access, environmental conservation and improved environmental quality. However, some downstream investment activities resulting from specific policy actions under the Program may lead to indirect, short-term and temporary adverse impacts. Brazil's ES system and capacity are found to be adequate to manage residual ES impacts that may emerge during the Program implementation.</p> <p>Environmental and Social Aspects. While downstream investments linked to the policy actions may lead to short-term, indirect ES impacts, Brazil's strong environmental regulatory system, aligned with AIIB's ESS1, is expected to adequately address such risks. Although the Program is not expected to generate significant adverse ES impacts during the program implementation, the relevant authority may consider using the ES Strategic Assessment as a tool to address emerging risks (if any) and identify measures to further create positive ES outcomes. In addition, the Program is categorized as effective gender mainstreaming and supports Brazil's broader gender equality agenda, as reflected in the National Plan of Policies for Women and sectoral strategies in health, environment and labor. An ES assessment matrix that has been prepared covering the Program's policy actions, which was based on an ES assessment (ESA). This matrix outlines the potential direct and indirect impacts of each prior action, along with corresponding mitigation measures. The gender risks associated with these prior actions were analyzed and incorporated into the ES assessment matrix as part of the social aspects.</p> <p>Information Disclosure and the Program Grievance Redress Mechanism (GRM). ESA was disclosed on Bank's website on Oct. 13, 2025¹. In accordance with Bank's ESP, ES assessment matrix will also be timely disclosed on the Bank's website.</p>

¹ https://www.aiib.org/en/projects/details/2025/_download/Brazil/P000977-Environmental-and-Social-Assessment-Matrix.pdf

	<p>Brazil's environmental regulatory system, along with existing GRMs in implementing agencies, is expected to adequately address ES risks and impacts. Individuals and communities who believe that they are adversely affected by the Program may submit complaints to the GRM of responsible government authorities and the appropriate local/national grievance mechanisms. The information of the GRMs to be used and AIIB's Project-affected People's Mechanism (PPM) will be disclosed in a timely and appropriate manner.</p> <p>Monitoring and Reporting Arrangement. The Program implementation will be monitored by the Program Implementation Unit under the Ministry of Finance (MoF) and will provide an annual report to AIIB based on the agreed format. The Program monitoring of the ES performance is an integral part of the overall semi-annual Program monitoring mission to ensure compliance with its policy requirements and prompt resolution of any emerging issues. In coordination with the WB and the IDB, AIIB will carry out a separate annual program monitoring mission, which will include following up on the implementation progress toward the target results and the performance of the ES implementation.</p>		
Cost and Financing Plan	USD1,000.00 million		
Borrower	Federative Republic of Brazil		
Implementing Entity	Ministry of Finance of Brazil		
Estimated date of loan closing (SBF)	June 30, 2028		
Contact Points:	AIIB	Borrower	Implementation Organization
Name	Nat Pinnoi	Mario Gouvea Almeida	Camila Maia Carneiro Costa
Title	Senior Investment Officer	Secretary of the Treasury, Ministry of Finance, Brazil	Director of Project, Secretariat of International Affairs, Ministry of Finance, Brazil
Email Address	nat.pinnoi@aiib.org	mario.g.almeida@tesouro.gov.br	camila.maia@fazenda.gov.br
Date of Concept Decision	June 19, 2025		
Date of Appraisal Decision	Sep. 17, 2025		
Date of Financing Approval	Oct. 30, 2025		

Independent Accountability Mechanism	The AIIB's PPM Policy applies to this Program. The PPM has been established by 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 the ESP in situations when their concerns cannot be addressed satisfactorily through the program-level GRM or the processes of AIIB's Management. Information on AIIB's PPM is available at: https://www.aiib.org/en/about-aiib/who-we-are/project-affected-peoples-mechanism/how-we-assist-you/index.html .
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