

Early Warning System

GCF-FP065

Financial Instruments for Brazil Energy Efficient Cities

Quick Facts

Countries	Brazil
Financial Institutions	Green Climate Fund (GCF)
Status	Approved
Bank Risk Rating	U
Voting Date	2018-03-01
Borrower	Government of Brazil
Sectors	Climate and Environment
Investment Type(s)	Grant, Loan
Investment Amount (USD)	$ 195.00 million
Loan Amount (USD)	$ 186.00 million
Grant Amount (USD)	$ 9.00 million
Project Cost (USD)	$ 1,306.00 million

Project Description

Brazil’s energy-related emissions have increased 130 percent from 1990-2012, against a Nationally Determined Contribution (NDC) of a 10 percent reduction by 2030. With extensive urbanization (over 85 percent of Brazil’s population lives in urban areas), previous work financed by the Energy Sector Management Assistance Program (ESMAP) and others1 ,led to the identification two sectors where transformative change could be made: municipal street lighting and energy efficiency (EE) in urban industrial areas. In order to overcome financing barriers and catalyze a significant shift in the trajectory of energy-related emissions, the Financial Instruments for Brazil Energy Efficient Cities (FinBRAZEEC) project, aims to unlock long term private financing for urban energy efficiency projects in Brazil by reducing the credit risk of LED street lighting (SL) and industrial efficiency projects (IEE) and enhancing their technical quality. The project will create an EE facility hosted at a local public bank, CAIXA Econômica Federal (CEF) and will support CEF in raising private financing for the efficient SL and off-balance sheet financing for IEE by incentivizing local Brazilian lenders to start lending on a “project risk” basis vs the currently dominant “corporate finance”.

Investment Description

- Green Climate Fund (GCF)

Financial Intermediary

Financial Intermediary: A commercial bank or financial institution that receives funds from a development bank. A financial intermediary then lends these funds to their clients (private actors) in the form of loans, bonds, guarantees and equity shares. Financial intermediaries include insurance, pension and equity funds. The direct financial relationship is between the development bank and the financial intermediary.

- Caixa Economica Federal (Financial Intermediary)

Contact Information

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ACCESS TO INFORMATION

Requests for project information may be submitted using the IDP Request for Information by email to: disclosure@gcfund.org.

You can also submit an information request using this online form: https://www.greenclimate.fund/about/disclosure/form. Additionally, if information requested is denied, an appeal can be filed to the Information Appeals Panel: iap@gcfund.org. You can learn more about the Information Appeals Panel at: https://www.greenclimate.fund/about/disclosure/appeals.

ACCOUNTABILITY MECHANISM OF GREEN CLIMATE FUND

The Independent Redress Mechanism (IRM) addresses complaints by people who believe they are negatively affected or may be affected by projects or programmes funded by the Green Climate Fund (GCF). The complainant can raise issues related to any of GCF's policies and procedures, including those relating to social and environmental issues, indigenous peoples, gender, and information disclosure, among others. If you submit a complaint to the IRM, it may seek to address the issues raised by facilitating problem solving or conducting a compliance process. You can learn more about the Independent Redress Mechanism and how to file a complaint at https://irm.greenclimate.fund/.

You can access a video about the IRM (English) at: https://youtu.be/1LanbriVhfs.

A brochure about the IRM can be accessed in English, French, Spanish, Portuguese, Arabic, Mandarin, Mongolian, Vietnamese, Russian, Ukrainian, Korean, German, and Kiswahili at: https://irm.greenclimate.fund/.

Bank Documents

- GCF - Project proposal doc

Media

- GCF - Project approval news doc