

Climate Bonds Launches Brazil Green Infrastructure Investment Opportunities Report

Focus on finance for urban infrastructure

São Paulo: 15/11/2019 10:00 (GMT-3): The Climate Bonds Initiative has just released the [Green Infrastructure Investment Opportunities - Brazil 2019 \(GIIO\)](#) report, analysing the current state of the Brazilian market to finance urban green infrastructure projects in Brazil.

The Brazil GIIO report is the result of a technical partnership between the Climate Bonds Initiative and the Inter-American Development Bank (IDB), with legal support from Pinheiro Netto Advogados.

Aiming to facilitate the interaction between project developers and investors, the report analyses investment options in green infrastructure and features of fifty-seven 57 green/or potentially green projects in renewable energy, low carbon transport, water infrastructure and waste management.

Sustainable Growth and Green Infrastructure

According to the GIIO Brazil, within the next 10 years countries around the world will have to invest \$100 trillion in climate compatible infrastructure to achieve the emissions reduction targets of the Paris Agreement.

When it comes to Brazil, there is an estimated green investment potential of \$1.3 trillion in the energy, transportation, construction, waste management and industrial energy efficiency sectors. Most of this potential relates to the areas of renewable energy and urban infrastructure, including public transport, water and waste management.

The report notes that compared to neighbouring countries, Brazil has one of the lowest percentages of infrastructure spending: only 2.1 percent of total GDP.

To change this reality, it is necessary to improve the country 's planning capacity and regulatory structures and attract private resources to finance low carbon investment.

Green finance presents an opportunity for infrastructure investment and developing a robust pipeline of qualifying green projects that can attract green capital is a priority.

Thatyanne Gasparotto, Head of LATAM, Climate Bonds Initiative:

"Integrating mitigation and climate resilience criteria into conventional infrastructure planning provides Brazil with a concrete opportunity to access new capital flows seeking green initiatives, especially in the international market. Demand for green infrastructure projects is high as it is primarily about increasing the country's economic resilience."

"The report provides an in-depth analysis works as a guide for investors and proposes important adjustments and regulatory recommendations to government."

Barbara Brakarz, Senior Climate Specialist, Inter-American Development Bank (IDB)

"Climate change impacts have to go hand in hand to infrastructure planning. More than 85% of Brazilians live in cities, and urban expansion continues with associated vulnerability to rising sea levels, floods, fires & droughts. Because of this, investments in low carbon solutions will be essential to mitigate climate risk. Understanding what green infrastructure is and knowing how best to fund it is an important step towards sustainable development."

Fabio Ono, Undersecretary of Subnational Infrastructure Planning, Ministry of Economy:

"This report proves to us that there are viable options for infrastructure financing in Brazil, other than BNDES public resources. We are excited about the possibilities revealed by this study. We know that the green infrastructure provides environmental and economic benefits. With it we can expand the economic base of our country, expand our markets, generate competitiveness."

Recommendations to boost green infrastructure investment in Brazil

Among the report's key recommendations is the issuance of a sovereign green bond by the Brazilian government as a way of signalling the country's commitment to a green finance agenda.

In addition, the study also recommends the integration of climate resilience criteria in the development of infrastructure projects in different spheres to minimize future risks to these assets. This integration within the planning process would accelerate the consolidation of a nationally sustainable infrastructure portfolio.

Other study recommendations:

- Adopt project design tools for sustainable projects of public infrastructure through good governance and service platforms, such as [SOURCE](#).
- Adjust regulatory requirements, including by promoting a standardized green certification for project financing and integrating climate criteria.
- Prioritize the issuance of green infrastructure debentures. Currently, these instruments are more attractive to individual investors thanks to the tax incentives offered by the Brazilian government.

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GIIO Brazil is available for download [here](#) .

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Notes to the editor:

About the Climate Bonds Initiative: The Climate Bonds Initiative is a non-profit organization focused on promoting large scale investments in the low carbon economy. Visit our website: www.climatebonds.net

About the Green Infrastructure Investment Opportunities Reports: The GIIO series of reports from Climate Bonds identify and analyse progress on green infrastructure investment in selected nations. Previous reports include Australia, New Zealand and Indonesia.

About Green Infrastructure Investment Opportunities Report – Brazil 2019: Published by the Climate Bonds Initiative this is the first LATAM GIIO report, sponsored by the Inter-American Development Bank and supported by Pinheiro Neto Advogados.

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