

Media Release

BNDES and Climate Bonds Initiative sign agreement to promote sustainable finance in Brazil

Cooperation between institutions aims to develop financing mechanisms through green bonds

RIO DE JANEIRO: 05/04/22 13:00 BRT: Brazil's [National Development Bank for Economic and Social Development \(BNDES\)](#) and the [Climate Bonds Initiative \(CBI\)](#) signed a cooperation agreement last week with the objective of promoting financing mechanisms to attract international investments that support sustainable projects in Brazil.

The partnership will make it possible to share best practices in the sustainable finance market based on the [Climate Bonds Standard](#)'s sector criteria, a system that details management and reporting processes with clear requirements for the use of proceeds in the issuance of green bonds.

The cooperation with CBI foresees the improvement of the financial strategy of BNDES for the ESG (Environmental, Social and Governance) topics, as well as the review of impact indicators for green and social projects. The agreement also covers verification of compliance, alignment and certification against the Climate Bonds Standard, and the structure recently established by the institution for green bond issuances.

Furthermore, the cooperation is expected to reinforce the criteria used to classify assets according to the Sustainable Development Goals (SDG) and NDC (National Determined Contribution), to reduce greenhouse gas emissions. Although these actions focus on BNDES' portfolio, they can positively influence the development of a classification system for green and sustainable assets in the country.

The initiative reflects BNDES' efforts to establish itself as the main bank of Brazilian sustainable development. In this sense, the effort to contribute to the SDGs and the transition to a low carbon economy are priorities for the institution.

Bruno Aranha, Director of Productive and Social and Environmental Credit, BNDES

"Sustainable finance is about financing investments to achieve the Sustainable Development Goals and the Paris Agreement. The BNDES' vision is to be an institution that innovates in financial products to channel the necessary resources for Brazil to achieve these goals and thereby the sustainable development. The partnership with CBI is fundamental to enhance knowledge, taxonomy, certification and impact indicators."

Leisa Souza, Head of Latin America, Climate Bonds Initiative

"BNDES, in yet another pioneering action in the sustainable debt market, is refining the classification of its assets. The Development Bank once again takes the lead and signals to the market the sustainable finance trends that need to be observed for the adoption of best practices, which protect investors against greenwashing, and mobilise further investments for the country. This is a milestone for Brazil's economic transition."

BNDES maintains its pioneering spirit in the sustainable bond market. Based on the [Green Bond Framework](#) launched in 2017, BNDES was the first Brazilian bank to issue a green bond in the international capital market, and the first financial institution to issue green financial bills in 2020, in the local market.

After the BNDES' innovative issuances, other market entities issued similar titles. In 2021, BNDES launched its [Sustainability Bond Framework](#), expanding the possibilities of raising green, social and sustainable bonds.

Last year, BNDES signed an agreement with the Inter-American Bank of Development for the development and certification of a framework for issuance of green, social and sustainable bonds in Brazil and abroad.

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Note to Editors

About the Climate Bonds Initiative – The Climate Bonds Initiative is an international organisation working to mobilise global capital for climate action. We achieve this through the development of the Climate Bonds Standard and Certification Scheme, Policy Engagement and Market Intelligence work. We empower our Partner organisations with the tools and knowledge needed to navigate, influence and instigate change. Visit our website: www.climatebonds.net

About BNDES – Founded in 1952 and currently linked to the Ministry of economy, BNDES is the main instrument of the Federal Government to promote long-term investments in the Brazilian economy. Your actions focus on impact socio-environmental and economic in Brazil. The Bank offers special conditions for micro, small and medium-sized companies, in addition to social investment lines, for education and health, family farming, basic sanitation and urban transport. In crisis situations, the Bank acts in a counter-cyclical manner and helps in the formulation of solutions for the resumption of economic growth. www.bndes.gov.br