CTF - Dedicated Private Sector Programs

DPSP III/IV-GESP/ DPSP V-FW

PROJECT TITLE: ENERGY TRANSITION FOR THE NORTHEAST REGION OF BRAZIL

COUNTRY: BRAZIL

MDB: IBRD

Concept Note for CTF Project/Program Approval Request[a] Dedicated Private Sector Programs (DPSP-III/DPSP-IV-GESP/DPSP-V-Futures Window)			
Country/Region	Brazil	**CIF Project ID#**	**Auto Generated by CCH**
For Regional/Global (country classification) Please list all applicable **sub-countries** under **Regional/Global** country tagging (separated by semicolon ";")			
Tier[1]	☐ Tier 1 ☐ Tier 2 ☒ Tier 3		
Type of CIF Investment:	☐ Public ☐ Private		
Project/Program Title (same as in CCH)	ENERGY TRANSITION FOR THE NORTHEAST REGION OF BRAZIL		
Sector/Pillar **(Please select all that apply)**	☐ Enabling Environment ☐ Energy Efficiency ☐ Energy Storage ☐ Renewable Energy ☒ Renewable Energy/ Energy Efficiency ☒ Transport		
Technology/Area **(Please select all that apply)**	☒ End Use ☐ District Heating ☐ Smart Grid ☐ Capacity Building ☒ Multiple ☐ Batteries ☐ Hydro ☒ Green Hydrogen ☐ Geothermal ☐ Wind ☐ Solar ☐Hydropower ☐ Cookstoves ☐ Waste to Energy ☒ Bioenergy ☐ Mixed RE ☐ Green Fuels ☐ Modal Shift ☐ Vehicle Technologies ☐ Mass Transit ☐Electric Vehicles ☐ Other (______)		
Project Lifetime (MDB Board/Management) approval to project closure	**5 Years**		
Is this a private sector program composed of sub-projects? (in years)	☐ Yes ☒ No		
Financial Products, Terms and Amounts			
Financial Product		**USD** (million)	**EUR** (million)[b]
PPG (Project Preparation Grant)			
Grant			
MDB Project Implementation and Supervision Services (MPIS)[2]			
First loss guarantee			
Second loss guarantee			
Equity			
Senior loan		30	
Senior loan in local currency hedged			

[1] Country Tier definition as Per FY25 approved Pricing policy (page 8,9,19-25)
[2] MPIS - CIF Operational Modalities For New Strategic Programs here
[a] This cover note is to be completed and submitted together with the MDB project/program proposal when requesting funding approval by Committee.
[b] For products denominated in EUR, please also provide USD equivalent in the column to the left.
[c] Please provide high-level information/appropriate links to relevant project documents and/or annexes as applicable.
[d] Insert (n/a) if not applicable to the project/program or cannot be determined at the time of submission.
[e] Per MDBs' own Paris alignment climate finance tracking methodologies.

Senior loan in local currency unhedged (**EXCEPTIONAL REQUEST**)		
Subordinated debt/loan/ mezzanine instrument with income participation		
Subordinated debt/loan / mezzanine instrument with income participation local currency unhedged (**EXCEPTIONAL REQUEST**)		
Subordinated debt/loan /mezzanine instrument with convertible features		
'Convertible/contingent recovery' grant/loan/guarantee (loans convertible to grants or vice versa)		
Convertible Loans (convertible to equity only)		
For loans and guarantees – is this a revolving structure? [3] ☐ Yes ☐ No		
Specify local currency type here		
Other (please specify)		
Total	**30**	

Co-financing		
	Please specify as appropriate	**Amount (in million USD)**
MDB 1	IBRD	500
MDB 2 (if any)		
Government	BNB	500
Private Sector		12,600[4]
Bilateral		
Others (please specify)	ESMAP (tbc)	4
Total Co-financing		**13,604**
CIF Funding		**30**
Total Financing (Co-financing + CIF Funding)		**13,634**
Proportion of Total Financing for Adaptation		**0**
Proportion of Total Financing for Mitigation[b]		**100%**

CIF Financial Terms and Conditions Policy	Link Is this request in accordance with the CIF Financial Terms and Conditions Policy? ☒Yes ☐No (if no, please specify detailed information under the justification section)

[3] With a revolving structure, after the loan or guarantee matures, instead of returning the funds to the Trustee, the funds are redeployed as a new loan or guarantee.

[4] This indicator target and others provided below are derived from a demonstrative portfolio of sub-project investments that can be supported under this Financial Intermediary (FI) operation. The market dynamics between BNB and the private sector will determine the final sub-loan portfolio. Private capital mobilization, GHG emission reduction potential, and total project costs will be key variables that BNDES will consider when evaluating funding requests for sub-loans.

[a] This cover note is to be completed and submitted together with the MDB project/program proposal when requesting funding approval by Committee.

[b] For products denominated in EUR, please also provide USD equivalent in the column to the left.

[c] Please provide high-level information/appropriate links to relevant project documents and/or annexes as applicable.

[d] Insert (n/a) if not applicable to the project/program or cannot be determined at the time of submission.

[e] Per MDBs' own Paris alignment climate finance tracking methodologies.

Justification (exceptional request) [c][d]	
Implementing MDB(s) *(please enter full name, job title and email address)*	
MDB Headquarters-Focal Point:	**Frank van der Vleuten** fvandervleuten@worldbank.org
MDB Task Team Leader (TTL)	Megan Meyer Mmeyer1@worldbank.org
National Implementing Agency *(please enter full name, job title and email address)*	
Country Focal Point/s	Bruno GABAIManager, International Organizations Program gabai@bnb.gov.br
Brief Description of Project/Program (including objectives and expected outcomes) [c][d]	

[a] This cover note is to be completed and submitted together with the MDB project/program proposal when requesting funding approval by Committee.

[b] For products denominated in EUR, please also provide USD equivalent in the column to the left.

[c] Please provide high-level information/appropriate links to relevant project documents and/or annexes as applicable.

[d] Insert (n/a) if not applicable to the project/program or cannot be determined at the time of submission.

[e] Per MDBs' own Paris alignment climate finance tracking methodologies.

This project aims to transform challenging energy end-use markets essential for the energy transition and help reduce poverty in Brazil's Northeast region. With its abundant solar and wind resources, proximity to various markets, and a skilled workforce in need of quality jobs, the energy transition offers significant economic opportunities for this impoverished area. However, there are substantial barriers that hinder the speed and volume of necessary investments. This project targets concessional capital to overcome these barriers for private investors in two emerging markets: advanced fuels ("clean fuels") and industrial decarbonization. It will help the North East region compete globally and domestically in these innovative sectors.

The Northeast has untapped solar and wind resources that can accelerate Brazil's energy transition and the decarbonization of the region's energy-intensive industrial value chains, including clean hydrogen and its derivatives. It is the region with the largest installed capacity of variable renewable energy, predominantly wind and solar power, with 68 percent of all solar and wind energy in Brazil being produced in the region. In terms of wind power generation, the Northeast is the largest wind energy producer in Brazil, representing 85.5 percent of the country's wind generation. In February 2024, the National Electric Energy Operator reported that the region's clean electricity generation—spanning hydropower, wind, and solar—reached 15,439 MW average, surpassing the total consumption load of 13,114 MW average during the same period, making it the only region in Brazil capable of "exporting" clean energy to other regions. These remarkable results not only place the Northeast at the forefront of the nation's energy transition but also underscore its vast comparative advantages for further developing its renewable energy potential and the possibility of developing innovative economic activities, such as clean hydrogen and its derivatives. These local resources can support the development of clean energy hubs, such as the developing Green Hydrogen Hub in the Industrial and Port of Pecém (Complexo Industrial e Portuário de Pecém, CIPP) in the state of Ceará, and other prospective clean energy hubs, such as the Industrial and Port Complex of Suape and the Camaçari Industrial Hub, in the states of Pernambuco and Bahia, respectively.

Despite the favorable conditions Brazil has to support decarbonization of the energy-intensive value chains, key barriers remain that are slowing progress. A robust market sounding with relevant stakeholders demonstrates that despite strong private sector interest, barriers include high upfront capital costs associated with adopting innovative low-carbon technologies, lack of financial instruments tailored to support large-scale decarbonization, and perceived risks around new technologies, business models and value chains. Additionally, some industrial sectors in Brazil face uncertainties around regulatory frameworks that secure demand and the absence of clear incentives for transitioning to greener operations, further hindering the mobilization of private capital[5].

Concessional funding is essential to decrease the high capital costs necessary to unlock and accelerate the deployment of projects aimed at decarbonizing Brazil's energy-intensive sectors. It is estimated that the required investment to achieve Brazil's climate transition by 2030 amounts to approximately US$200 billion (BRL 1 trillion)[6]. Furthermore, the country faces high capital costs, the reference long-term interest rate (TLP) is, in addition to CPI, 7.7 percent plus project risk premium, i.e., at least 10 percent in real terms in December 2024.. In this context, the country's energy transition specifically demands a reallocation of capital and resources from traditional fossil fuel assets, such as oil refineries, thermal power plants, and natural gas pipelines, to cleaner alternatives. Furthermore, Brazil requires major enabling infrastructure to connect renewable energy loads and manage renewable variability; to modernize supply chains, especially of critical

[a] This cover note is to be completed and submitted together with the MDB project/program proposal when requesting funding approval by Committee.

[b] For products denominated in EUR, please also provide USD equivalent in the column to the left.

[c] Please provide high-level information/appropriate links to relevant project documents and/or annexes as applicable.

[d] Insert (n/a) if not applicable to the project/program or cannot be determined at the time of submission.

[e] Per MDBs' own Paris alignment climate finance tracking methodologies.

[5] https://www3.weforum.org/docs/WEF_Decarbonizing_Brazil percentE2 percent80 percent99s_Steel_Aluminium_and_Aviation_Sectors_2024.pdf

[6] https://www.weforum.org/publications/finding-pathways-financing-innovation-tackling-the-brazilian-transition-challenge/

[a] This cover note is to be completed and submitted together with the MDB project/program proposal when requesting funding approval by Committee.

[b] For products denominated in EUR, please also provide USD equivalent in the column to the left.

[c] Please provide high-level information/appropriate links to relevant project documents and/or annexes as applicable.

[d] Insert (n/a) if not applicable to the project/program or cannot be determined at the time of submission.

[e] Per MDBs' own Paris alignment climate finance tracking methodologies.

minerals and metals; to transport new commodities such as clean hydrogen, carbon dioxide, or advanced biofuels; and to expand energy efficiency.

The Northeast Development Bank (Banco do Nordeste do Brasil, BNB) is the largest regional development bank in Latin America and can help catalyze the just and clean energy transition in the region. Established in 1952, BNB is a mixed economy state-owned Brazilian regional development bank, with over 90 percent of BNB's capital owned by the Brazilian Ministry of Finance. BNB's activities are focused on the country's Northeast region (Alagoas, Bahia, Ceará, Maranhão, Paraíba, Pernambuco, Piauí, Rio Grande do Norte e Sergipe), as well as some municipalities in the north of Minas Gerais and Espírito Santo states. By the end of 2023, the company had almost 7,000 employees and delivered approximately US$10 billion, with a large share dedicated to renewable energy projects. Between 2021 and 2023, BNB invested a total of US$3.2 billion in clean energy projects, with US$1.4 billion for wind energy projects and US$1.8 billion for solar.

The objective of this project is to catalyze investments in decarbonization of energy-intensive value chains in the Northeast region of Brazil. To achieve its objectives, the project will lend resources to BNB, which will act as the Financing Intermediary (FI). BNB will establish a new credit line a US$530 million credit line, including US$500 million IBRD loan and a US$30 million from the Clean Technology Fund (CTF), to provide debt financing to innovative sub-projects with high GHG mitigation potential and for which public support is required to overcome existing barriers to investment. The proposed operation focuses on supporting technologies and processes that have the high GHG emission reduction potential and support innovation to improve the region's long-term competitiveness.

The project seeks to catalyze new markets and accelerate investments that, due to barriers such as high technology risk and/or high capital costs, require concessional financing to bridge the viability gap. The project eligibility criteria will promote investments in innovation, including early movers/first-of-its-kind (FOIK) technologies in the country and business model innovation. Innovative technologies and frontier industries face significant uncertainties, creating a high level of risk for first movers which translate into challenging financing market-conditions for high-upfront CAPEX needs. This represents a key barrier to unlocking the investments at the scale needed for the green transition. Thus, the project will assist in overcoming early-mover financing challenges, by helping close the existing financing gap between green and traditional fossil-fuel based alternatives.

The Project will comprise three components, as shown in Table 1 below. Component (1) a US$ 530 million credit line, including US$500 million IBRD and a potential for US$30 million from the Clean Technology Fund Futures Window (CTF)[7]; and Component (2) US$ 2.5 million of expected grant funding from ESMAP[8] for piloting R&D technologies for industrial decarbonization and clean fuels, and Component (3) US$ 1.5 million for technical assistance, and capacity building. Regarding Component 1, the funds will be allocated in two sub-components: Sub-component (1a) US$350 million for the decarbonization of energy and industrial value chains (DCEI); Subcomponent (1b) US$150 million for enabling shared infrastructure.

[a] This cover note is to be completed and submitted together with the MDB project/program proposal when requesting funding approval by Committee.

[b] For products denominated in EUR, please also provide USD equivalent in the column to the left.

[c] Please provide high-level information/appropriate links to relevant project documents and/or annexes as applicable.

[d] Insert (n/a) if not applicable to the project/program or cannot be determined at the time of submission.

[e] Per MDBs' own Paris alignment climate finance tracking methodologies.

[7] The team has submitted a funding proposal to the CTF Trust Fund Committee in December 2024.
[8] The team has received a positive indication from ESMAP's Industrial Decarbonization Program to provide these grant funds. After the PCN, a formal proposal will be submitted for ESMAP donor approval.

[a] This cover note is to be completed and submitted together with the MDB project/program proposal when requesting funding approval by Committee.

[b] For products denominated in EUR, please also provide USD equivalent in the column to the left.

[c] Please provide high-level information/appropriate links to relevant project documents and/or annexes as applicable.

[d] Insert (n/a) if not applicable to the project/program or cannot be determined at the time of submission.

[e] Per MDBs' own Paris alignment climate finance tracking methodologies.

Table 1 - Project financing by component (in US$ million)

Project Components	*IBRD*	*CTF*	*ESMAP*	*TOTAL*
Component 1: Decarbonization of the energy-intensive value chains	500	30	0	530
Component 2: Grant support to pilot-scale R&D Projects	0	0	2.5	2.5
Component 3: Technical assistance	0	0	1.5	1.5
TOTAL	***504***	***30***	***4***	***534***
[%]	*94%*	*6%*	*0.01%*	***100%***

Under Component 1, project funds will finance projects that ramp-up the decarbonization energy-intensive value chains in the Northeast. The proposed Project will fund eligible projects in the Northeast that will substantially reduce the GHG emissions of the energy and industrial value chains and support innovation to improve the region's long-term competitiveness. The eligibility criteria for beneficiaries of the project's funds will be finalized in the Project's Operational Manual (POM) prior to Negotiations[9]. The project will comprise a credit line with two subcomponents as described below.

- **Subcomponent 1a: Financing to decarbonize the energy mix and energy-intensive value chains (US$350 million IBRD).** The sub-component will provide concessional financing to close the viability gap or otherwise enable private and public sector investments in clean fuels (e.g., production of green hydrogen and ammonia, biodiesel, SAF, etc.), industrial energy and material efficiency (e.g., circular economy) and other industrial decarbonization investments such as alternative fuels, electrification, and carbon capture and storage (e.g., for cement production).

- **Subcomponent 1b**: **Financing for shared infrastructure to enable private sector investments in decarbonization of the energy-intensive value chains (US$150 million IBRD)**. The sub-component will provide concessional finance for investments in common user infrastructure (CUI) that de-risks private sector investments in decarbonization technologies, with a focus on clean fuel production. This can include *inter alia* such as facilities for ammonia pipelines and storage, electricity grid infrastructure to support scaling up of renewable energy required to produce clean fuels, and water supply for green hydrogen production.

Under Component 2, the Project will utilize non-reimbursable funds to fund pilot-scale R&D projects (US US$2.5 million). This component will scale up BNB's funding for research and development (R&D) projects in the areas of energy transition and industrial decarbonization under its Economic, Scientific, Technological, and Innovation Development Fund (FUNDECI)[10]. FUNDECI has deep experience launching competitive calls for proposals to allocate grant funding to R&D investment for the energy transition, including a successful US$ 4 million call for proposals for renewable hydrogen in 2023[11].

Under Component 3, the Project will utilize non-reimbursable funds for technical assistance, and capacity building (US$ 1.5 million ESMAP). This component will provide technical assistance for pipeline development and

[a] This cover note is to be completed and submitted together with the MDB project/program proposal when requesting funding approval by Committee.

[b] For products denominated in EUR, please also provide USD equivalent in the column to the left.

[c] Please provide high-level information/appropriate links to relevant project documents and/or annexes as applicable.

[d] Insert (n/a) if not applicable to the project/program or cannot be determined at the time of submission.

[e] Per MDBs' own Paris alignment climate finance tracking methodologies.

[9] At this stage of the project preparation, the project risk is rated as substantial, driven by substantial technical design risk and high environmental and social risks. These risks will continue to be assessed, and mitigation measures will be incorporated into the project design as the WB team finalizes the preparation of the project for Board submission, including in the definition of the project eligibility criteria.

[10] This Fund, established in 1971, provides seeks to promote research, development, innovation and technological development, and has supported more than 3,000 projects to date. https://www.bnb.gov.br/fundeci

[11] https://www.bnb.gov.br/conveniosweb/Convenente.ProgramaConvenio.Detalhes.aspx?ProgramaConvenioID=44

[a] This cover note is to be completed and submitted together with the MDB project/program proposal when requesting funding approval by Committee.

[b] For products denominated in EUR, please also provide USD equivalent in the column to the left.

[c] Please provide high-level information/appropriate links to relevant project documents and/or annexes as applicable.

[d] Insert (n/a) if not applicable to the project/program or cannot be determined at the time of submission.

[e] Per MDBs' own Paris alignment climate finance tracking methodologies.

capacity building for BNB staff. Regarding pipeline development, BNB is already reaching out to its industrial clients to understand their near- and medium-term funding needs for DCEI investments. In addition, the World World Bank team is undertaking a Bank-executed technical assistance to prepare a decarbonization roadmap for the CIPP in Ceará, and one of the deliverables includes identification of a pipeline of potential decarbonization investments. This component will build on this work to support continuous pipeline identification (e.g., pre-feasibility and feasibility studies, market outreach) throughout the early years of project implementation to support a robust portfolio of high-quality projects. For capacity building, BNB has indicated the need for training on technical due diligence for investments in innovative sectors (e.g., green hydrogen), as well as the need to improve BNB's monitoring and evaluation systems. This component will also support activities to close the gender gap in the energy sector, including ensuring a minimum of 30 percent of the BNB staff benefiting from technical training for due diligence of innovative technologies are female.

Climate and concessional funds will be strategically allocated to accelerate innovation, maximize emission reductions, and mobilize private capital, based on the principles of minimum concessionality[12]. This operation will support BNB in offering concessional loans to innovative decarbonization projects (lower interest rates and/or longer tenors). This will lower the overall cost of capital and improve project cash-flows, thereby reducing financing risks and helping to close the viability gap. The CTF concessional resources will be blended with other sources of financing according to the sub-project needs. The project's funding will be blended with sponsors' equity, other sources of public financing (e.g., other BNB credit lines), and, whenever possible, commercial financing from local or international lenders (including IFC). By applying the principles of minimum concessionality, the project will minimize the risk of crowding-out of private sector financing and maximize the opportunities to crowd-in private investment. Additional workshops and market soundings will be conducted to support the definition of eligibility criteria to maximize the private capital mobilization potential of the project. Although the CTF funding represents a relatively small share of the total project size, the high level of concessionality compared to other sources of funding will enable BNB to strategically apply higher levels of concessional funding to innovative decarbonization projects that are most in need of support to reach financial closure.

Beyond the specific project investments, the project seeks to support the Federal Government's ambitious agenda to revive its energy-intensive value chains as an engine of sustainable economic growth. In 2024, Brazil launched its New Industrial Program ('*Programa Nova Indústria Brasil*, "NIB"), structured around six Missions aimed at fostering technological innovation, increasing productivity, and promoting green job. Mission 5 '*Bioeconomy, decarbonization, energy transition and energy security'* sets out the Government's objective of reducing the GHG intensity of industrial GDP by 30 percent by 2033 and increasing the share of biofuels in the transport energy matrix by 50 percent. In 2024, Brazil passed the *Fuel of the Future* law (Law No. 14,993/2024), which requires the aviation sector to cut GHG emissions by 1 percent per year from 2027 (against a 2026 baseline), reaching 10 percent by 2037[13]. This Bill also proposes that by 2030, at least 5 percent of conventional jet fuel be replaced with SAF that reduces lifecycle greenhouse gas emissions by 85 percent or more. Brazil has also launched its National Hydrogen Plan (PNH2), which envisages a huge potential for industrial decarbonization through clean hydrogen development, including links to new e-fuels (ammonia, methanol and other synthetic liquid hydrocarbons), promising alternatives for decarbonizing the aviation and shipping sectors. The Brazilian Government recently approved the Brazil Hydrogen Bill (2308/2023) which provides the regulatory framework and contains fiscal incentives for low-carbon hydrogen production. The project is also closely aligned with the

[a] This cover note is to be completed and submitted together with the MDB project/program proposal when requesting funding approval by Committee.

[b] For products denominated in EUR, please also provide USD equivalent in the column to the left.

[c] Please provide high-level information/appropriate links to relevant project documents and/or annexes as applicable.

[d] Insert (n/a) if not applicable to the project/program or cannot be determined at the time of submission.

[e] Per MDBs' own Paris alignment climate finance tracking methodologies.

[12] This will be based on the IFC's methodology to assess minimum concessionality. It will also incorporate developments related to the ongoing initiative amongst MDBs and DFIs to establish Principles for Concessional Finance for Public Sector Operations. The methodology for assessing minimum concessionality will be defined in the Project Operations Manual prior to the Decision Meeting.

[13] https://www.gov.br/planalto/en/latest-news/2024/10/lula-enacts-fuel-of-the-future-law-201cbrazil-will-drive-the-worlds-largest-energy-revolution201d

[a] This cover note is to be completed and submitted together with the MDB project/program proposal when requesting funding approval by Committee.

[b] For products denominated in EUR, please also provide USD equivalent in the column to the left.

[c] Please provide high-level information/appropriate links to relevant project documents and/or annexes as applicable.

[d] Insert (n/a) if not applicable to the project/program or cannot be determined at the time of submission.

[e] Per MDBs' own Paris alignment climate finance tracking methodologies.

Ecological Transformation Plan (ETP) which seeks to promote increased productivity through the creation and dissemination of technological innovations and the construction of sustainable infrastructure, leveraging the unique geographical and environmental characteristics of the country, the ample availability of renewable energy sources, and the abundant biodiversity that Brazil possesses.

This project also seeks to directly support implementation of Brazil's recently launched the Climate and Ecological Transformation Investment Platform (*Plataforma Brasil de Investimentos Climáticos e para a Transformação Ecológica*, BIP), a strategic initiative launched in 2024 to establish a platform that connects project sponsors and prospective financial institutions**.** The BIP will foster public-private collaboration across relevant stakeholders and initiatives by focusing on three main sectors: (i) nature -based solutions & bioeconomy, (ii) industry & mobility; and (iii) energy[14]. The National Development Bank of Brazil (BNDES) is the Secretariat for the platform providing general administrative and project management support, as well as coordinating relations with financial institutions, and banks like BNB can be one of the financial institutions participating in the platform. As of December 2024, seven projects have been approved to be listed in the BIP, including two projects for energy – i.e., sustainable fuels and low-carbon hydrogen – and two projects for industry and mobility – i.e., strategic minerals and low-carbon steel[15]. The Federal Government has indicated its interest to utilize the BIP to identify a pipeline of projects that need concessional funding.

This project is aligned with a parallel project being prepared by the World Bank with BNDES. Although independent, both projects have similar scopes, objectives, and start from the premise that the transformational impacts of the proposed investments require volume and speed. Both BNDES and BNB have a historical role in addressing market barriers for the energy transition, unlocking and enabling the scale-up of innovative technologies in Brazil (e.g. renewable energies in the early 2000s). BNDES and BNB are already coordinating on this agenda, and the World Bank will play a role to ensure strong coordination is maintained to maximize the synergies of the two projects (e.g., in project design elements, lessons learned, etc.). By supporting both projects, CTF resources will be highly transformative, enabling the two most important development banks in the country to venture in key markets for the low-carbon transition, reducing perceived risks, and providing sufficient capital to enable early-mover investments. Moreover, being Brazil a large economy with global public goods impacts, and being both operations large, the projects will have far-fetching domestic and global implications.

The project will measure the following outcomes under its results framework:

- Greenhouse gas emissions reductions achieved (MtCO2e);
- Private capital mobilized ($US)
- Energy savings (GWh);
- Female employees as part of total receiving technical training on innovative decarbonization technologies (%).
- Green jobs created (number);

Consistency with investment criteria (please refer to design document)[16][c][d]

[a] This cover note is to be completed and submitted together with the MDB project/program proposal when requesting funding approval by Committee.

[b] For products denominated in EUR, please also provide USD equivalent in the column to the left.

[c] Please provide high-level information/appropriate links to relevant project documents and/or annexes as applicable.

[d] Insert (n/a) if not applicable to the project/program or cannot be determined at the time of submission.

[e] Per MDBs' own Paris alignment climate finance tracking methodologies.

[14] https://www.gov.br/fazenda/pt-br/acesso-a-informacao/acoes-e-programas/transformacao-ecologica/bip/arquivos/bip-executive-presentation-en-2.pdf

[15] https://www.gov.br/fazenda/pt-br/acesso-a-informacao/acoes-e-programas/transformacao-ecologica/bip/brazil-climate-and-ecological-transformation-platform

[16] Link to ACT Design Document here and Future Window Design Document here

[a] This cover note is to be completed and submitted together with the MDB project/program proposal when requesting funding approval by Committee.

[b] For products denominated in EUR, please also provide USD equivalent in the column to the left.

[c] Please provide high-level information/appropriate links to relevant project documents and/or annexes as applicable.

[d] Insert (n/a) if not applicable to the project/program or cannot be determined at the time of submission.

[e] Per MDBs' own Paris alignment climate finance tracking methodologies.

The project is fully consistent with the investment criteria of the CTF Futures Window, particularly in terms of supporting an acceleration of transformational investments in industrial energy efficiency, sustainable transport, and emerging clean technology sectors.

Energy Efficiency (EE): Funding from this project can be on-lent by BNB to investments in industrial energy efficiency, focusing on energy-intensive industrial value chains. Such investments will reduce emissions and help industries improve productivity and increase their competitiveness. Investments in EE are also good sources of green job creation.

Sustainable Transport: Funding from this project can be on-lent by BNB to investments in innovative clean fuels, such as green hydrogen and its derivatives (e.g., green ammonia), biodiesel, biomethane, and sustainable aviation fuels (SAF), all with a focus on domestic utilization. The clean fuels will support CO2 emission reductions in the transport sectors, including road, air and marine transport. This will contribute to a broader goal of sustainable development, which encompasses cleaner and more efficient transport systems.

Emerging Clean Technology Sectors: As per the investment criteria, this category of eligible investments is broader and can provide "opportunities to… new areas of zero-carbon development" as they emerge. Innovative sectors that can be supported by this project include material efficiency, Carbon Capture, Utilization, and Storage (CCUS) when other emissions reducing technologies are not feasible, Direct Reduced Iron using green hydrogen, etc.

Dimensions	**Summary statement and reference to relevant sections of the proposal**
Transformational Change	
Relevance: What is needed, what is planned and are they aligned?	While Brazil has a relatively clean power system, Brazil is among the top ten world's largest energy consumers, mainly driven by the energy-intensive sectors of transport and industry, which remain heavily rely on fossil fuels. The proposed operation highly relevant to support Brazil to achieve its decarbonization and economic development objectives. It is strategically aligned with Brazil's Nationally Determined Contributions (NDCs) under the Paris Agreement and will contribute to the country's commitment to reducing net greenhouse gas emissions by 59%-67% by 2035, compared to 2005 levels17. The proposed operation is also relevant to enable Brazil's structural plans to secure the deployment of sustainable industrial practices, as outlined in New Industrial Program ('Programa Nova Indústria Brasil, "NIB"), which sets out the global to increase of share of biofuels in the transport energy mix by 50% and reduce carbon intensity of national industries by 30% 18.

[a] This cover note is to be completed and submitted together with the MDB project/program proposal when requesting funding approval by Committee.
[b] For products denominated in EUR, please also provide USD equivalent in the column to the left.
[c] Please provide high-level information/appropriate links to relevant project documents and/or annexes as applicable.
[d] Insert (n/a) if not applicable to the project/program or cannot be determined at the time of submission.
[e] Per MDBs' own Paris alignment climate finance tracking methodologies.

[17] https://unfccc.int/sites/default/files/2024-11/Brazil_Second%20Nationally%20Determined%20Contribution%20%28NDC%29_November2024.pdf

[18]

[a] This cover note is to be completed and submitted together with the MDB project/program proposal when requesting funding approval by Committee.

[b] For products denominated in EUR, please also provide USD equivalent in the column to the left.

[c] Please provide high-level information/appropriate links to relevant project documents and/or annexes as applicable.

[d] Insert (n/a) if not applicable to the project/program or cannot be determined at the time of submission.

[e] Per MDBs' own Paris alignment climate finance tracking methodologies.

	This operation aligns with these objectives by funding a credit line to incentivize private-sector investments in innovative technologies to decarbonize energy-intensive value chains. It will also serve to improve monitoring, reporting and verification of achieving the aligned objectives.
Systemic Change: What systems need to change and how? Who needs to be involved and how?	A robust market sounding with relevant stakeholders in Brazil demonstrated that there are significant barriers to decarbonizing energy-intensive value chains, including high upfront capital costs associated with adopting innovative low-carbon technologies, lack of financial instruments tailored to support large-scale decarbonization, and perceived risks around new technologies, business models and value chains. Additionally, incentives such as carbon pricing are being prepared in Brazil - an Emissions Trading System law has recently been approved in Brazilian Congress. However, it is not yet implemented, and it is expected that such pricing signals will take 5 years to be in place, hindering the acceleration of private investment in the short-term. These challenges are compounded by limited access to climate and concessional finance, which make decarbonization projects less attractive to private investors. Concessional funding is one essential building block needed to catalyze private-sector investment in this area, by decreasing the financing costs necessary to unlock and accelerate the deployment of projects aimed at decarbonizing Brazil's energy and industrial sectors. It is estimated that the required investment to achieve Brazil's climate transition by 2030 amounts to approximately US$200 billion (BRL 1 trillion. Furthermore, the country faces high capital costs, with the basic interest rate (SELIC) soaring to 12.25 percent in December 2024, compared to 5.2 percent in the United States of America (SOFR) and 6.5 percent in India. In this context, the country's energy transition specifically demands a reallocation of capital and resources from traditional fossil fuel assets, such as oil refineries, thermal power plants, and natural gas pipelines, to cleaner alternatives. Furthermore, Brazil requires major enabling infrastructure to modernize supply chains, to produce and transport new commodities such as clean hydrogen or advanced biofuels, amongst others. In addition to investments, Brazil will need to accelerate the implementation of its ambitious policies and programs aiming to catalyze investment. At the level of BNB, the bank has key governance structure and policies that mandate a plan for industry

[a] This cover note is to be completed and submitted together with the MDB project/program proposal when requesting funding approval by Committee.
[b] For products denominated in EUR, please also provide USD equivalent in the column to the left.
[c] Please provide high-level information/appropriate links to relevant project documents and/or annexes as applicable.
[d] Insert (n/a) if not applicable to the project/program or cannot be determined at the time of submission.
[e] Per MDBs' own Paris alignment climate finance tracking methodologies.

	decarbonization, in ways that are ecologically beneficial, in line with country targets. To accelerate industrial decarbonization in Brazil, a broad range of stakeholders must be involved, including government agencies, industry leaders, research institutions and innovation hubs, and financing institutions, and civil society. Collaboration among these stakeholders is essential to create a cohesive and effective decarbonization strategy. The project team has already undertaken robust market soundings with key stakeholders (i.e., financiers, developers, industrial associations, and public entities), and this will continue as the project is finalized for Board submission.	
Speed: What is the relationship between urgency and complexity?	As the need for deeper levels of decarbonization of the economy grows in order to meet Brazil's NDC commitments, the complexity of implementing effective solutions increases, particularly as the urgency increases to decarbonize hard-to-abate sectors. Such investments are associated with the need for innovative technologies requiring high capital investment, large-scale infrastructure investments, overcoming issues related to competitiveness, amongst others. Brazil has set out ambitious targets to decarbonize its economy, and the implementation of its ambitious policies and targets will be essential to create the enabling environment to accelerate investment. Coordinated actions between BNB and the private sector will be needed to support accelerated investment in these priority areas. Continued capacity building will be critical to ensure that all stakeholders are aware of the risks and benefits of innovative technologies needed to support the transition.	
Scale: What scaling is required?	It is estimated that the required investment to achieve Brazil's climate transition by 2030 amounts to approximately US$200 billion (BRL 1 trillion)19. This project will provide US$0.53 billion of financing to support investments, and it aims to leverage US$12.6 billion in private investment, which represents an important contribution to the overall scaling required. Coordinated actions by BNB, businesses, labor, and local communities to align their priorities and mobilize solutions and investments for industry decarbonization will support deployment of the project's resources, and innovative technologies, appropriate market mechanisms, and new business models will need to be piloted.	
Adaptive Sustainability: What capacity will be built to achieve	The project supports new technologies in nascent markets, which entail a relatively high level of cost and risk and –	

[a] This cover note is to be completed and submitted together with the MDB project/program proposal when requesting funding approval by Committee.
[b] For products denominated in EUR, please also provide USD equivalent in the column to the left.
[c] Please provide high-level information/appropriate links to relevant project documents and/or annexes as applicable.
[d] Insert (n/a) if not applicable to the project/program or cannot be determined at the time of submission.
[e] Per MDBs' own Paris alignment climate finance tracking methodologies.

[19] https://www.weforum.org/publications/finding-pathways-financing-innovation-tackling-the-brazilian-transition-challenge/

[a] This cover note is to be completed and submitted together with the MDB project/program proposal when requesting funding approval by Committee.

[b] For products denominated in EUR, please also provide USD equivalent in the column to the left.

[c] Please provide high-level information/appropriate links to relevant project documents and/or annexes as applicable.

[d] Insert (n/a) if not applicable to the project/program or cannot be determined at the time of submission.

[e] Per MDBs' own Paris alignment climate finance tracking methodologies.

sustainable development pathways?	therefore- require public support in the early phases of the market development. Through demonstration effect (of this project and other initiatives) and as technology and markets mature, the level of concessionality required will decrease, eventually reaching a level of maturity where private sector financing will be financially viable. The eventual implementation of the ETS in Brazil will also provide improved price signals to catalyze the transition.	
Just Transition		
Procedural justice: What meaningful engagement of diverse stakeholders, including those that are particularly vulnerable to transition risks, has been/ will be incorporated in the design and implementation of the IP/ project activities?	The operation will incorporate meaningful engagement of diverse stakeholders, particularly those vulnerable to transition risks, by adhering to the World Bank's Investment Project Financing (IPF) Environmental and Social Framework (ESF). This includes comprehensive stakeholder consultations to identify and address the concerns of impacted communities. The operation will prioritize transparency, inclusivity, and continuous dialogue, ensuring that relevant stakeholders have access to information, participate in decision-making, and receive fair support during the transition. The project team has conducted various market soundings with key stakeholders on this topic, including visiting of the local communities living around the Port and Industrial Complex of Pecém in the Northeastern state of Ceará. Additional market soundings will be conducted by the WB and BNB as the team finalizes project preparation and during project implementation, including with relevant government counterparts, local commercial banks, potential project sponsors, industrial associations and other key stakeholders.	
Distributional justice: What efforts have been/ will be made to design activities in a way that promotes wide burden and/or benefit sharing, and seeks to engage particularly vulnerable or marginalized stakeholders as beneficiaries?	The industrial sector is responsible for approximately 20% of all employment in Brazil20, hence the clean transition of this sector must be just and inclusive to maximize the economic benefits and ensure its long-term sustainability. Studies by the International Energy Agency and the International Labor Organization indicate that investments in renewable energy and energy efficiency have the potential to create a substantial number of new, quality jobs21. Biofuels currently represents about half of all clean energy jobs globally, and this project can support investments to develop jobs through new value chains for biofuels, including engaging rural communities to support a just and inclusive transition. Investments in the circular economy – for example recycling of scrap steel and plastics – are expected to be sources of new jobs. Finally, studies	

[a] This cover note is to be completed and submitted together with the MDB project/program proposal when requesting funding approval by Committee.

[b] For products denominated in EUR, please also provide USD equivalent in the column to the left.

[c] Please provide high-level information/appropriate links to relevant project documents and/or annexes as applicable.

[d] Insert (n/a) if not applicable to the project/program or cannot be determined at the time of submission.

[e] Per MDBs' own Paris alignment climate finance tracking methodologies.

[20] https://www.statista.com/statistics/271042/employment-by-economic-sector-in-brazil/

[21] https://www.iea.org/reports/world-energy-employment-2023/ and Green Jobs: Towards Decent Work in a Sustainable, Low-Carbon World, UNEP/ILO/IOE/ITUC, September 2008

[a] This cover note is to be completed and submitted together with the MDB project/program proposal when requesting funding approval by Committee.

[b] For products denominated in EUR, please also provide USD equivalent in the column to the left.

[c] Please provide high-level information/appropriate links to relevant project documents and/or annexes as applicable.

[d] Insert (n/a) if not applicable to the project/program or cannot be determined at the time of submission.

[e] Per MDBs' own Paris alignment climate finance tracking methodologies.

	suggest that the green hydrogen industry could generate direct, indirect, and induced jobs across emerging markets and developing countries (EMDCs) due to the intensive nature of hydrogen production, transport, and infrastructure development. Globally, the hydrogen economy is projected to create around 30 million jobs by 2050, and half of the share of these opportunities could emerge in the Global South, particularly in countries such as Brazil with large endowments of renewable energy resources22. The Northeast region of Brazil remains one of the poorest and most unequal regions in Brazil, characterized by a high concentration of income, low productivity, elevated poverty rates, and significant disparities in health and education outcomes compared to other regions. For example, the Northeast has the second highest income disparity in the country, according to the GINI index, and the lowest productivity among all regions of Brazil. At the same time, the region is home to some of the most favorable renewable energy resources in the country, including three potential clean hydrogen industrial and port hubs, which offers the country the opportunity for increased economic growth, green job creation, and improved competitiveness, if adequate enabling environment is in place to attract private sector financing. To ensure a just and clean energy transition in this region must continue to work to ensure that the benefits of economic growth are shared with its vulnerable populations. This Project will accelerate a just transition by support the Northeast region's incubation of new markets and increase competitiveness of local companies, thereby creating new green job opportunities and supporting economic growth and promoting a reduction in income inequality between the Northeast region and other regions in Brazil.	
Restorative justice: Does the proposal target any of the underlying drivers of inequality (e.g. related to gender, social status, race, etc.) in a way that is likely to promote more equitable societies?	BNB has implemented a comprehensive set of policies and actions aimed at promoting gender equality, diversity, and inclusion from both corporate and programmatic perspectives. On the programmatic side, BNB facilitates access to credit for companies with higher female participation. Furthermore, the institution places a strategic focus on prioritizing women and indigenous peoples in its research and territorial development initiatives. BNB has received the seal of the federal program	

[a] This cover note is to be completed and submitted together with the MDB project/program proposal when requesting funding approval by Committee.
[b] For products denominated in EUR, please also provide USD equivalent in the column to the left.
[c] Please provide high-level information/appropriate links to relevant project documents and/or annexes as applicable.
[d] Insert (n/a) if not applicable to the project/program or cannot be determined at the time of submission.
[e] Per MDBs' own Paris alignment climate finance tracking methodologies.

[22] World Bank, Hydrogen For Development (H4D) initiative.

[a] This cover note is to be completed and submitted together with the MDB project/program proposal when requesting funding approval by Committee.

[b] For products denominated in EUR, please also provide USD equivalent in the column to the left.

[c] Please provide high-level information/appropriate links to relevant project documents and/or annexes as applicable.

[d] Insert (n/a) if not applicable to the project/program or cannot be determined at the time of submission.

[e] Per MDBs' own Paris alignment climate finance tracking methodologies.

	for gender and race equity in all 5 editions in which it has participated. Despite this, women and non-white people continue to be underrepresented in governance bodies. Of the 6,687 employees, 32.4% are women, but in the Executive Board and main management positions, they represent, respectively, 16.7% and 17.6%. Regarding racial representation, 66.5% of employees are white. This percentage increases significantly in leadership roles, with white individuals comprising 83.3% of the Executive Board and 83.9% of key management positions. An initial assessment will be carried out with BNB's counterparts, which identified gaps in female participation in leadership positions in the bank. The project will support closing the gender gap by (i) establishing a commitment from BNB to increase female participation in leadership positions by 15 percent by 2029 (baseline of 2024), (ii) implementing a competitive processes for leadership positions with extra scoring for female applications; (iii) implementing a policy that financial bonuses of senior directorate will be linked to the compliance with a range of strategic indicators, including the gender target under (i) above, and (iv) ensuring that females represent a minimum of [30] percent of the BNB staff benefiting from technical trainings on innovative technologies that will be supported by the project.

This project is also fully consistent with ongoing and envisioned future IBRD support to Brazil to implement its strategy of deploying CIF resources to accelerate domestic emissions reductions.

For example, the IBRD is currently preparing an investment operation with funding from the CIF-REI program to support investments in shared infrastructure for the green hydrogen hub being developed in the Port and Industrial Complex of Pecém in the State of Ceará in the northeast region of Brazil. This proposed credit line with BNB will build on the knowledge that has been developed in the preparation of that project by supporting shared infrastructure at green industrial hubs, such as storage facilities for green ammonia. This will allow for the catalytic impact of CIF support to continue to be scaled-up for shared infrastructure investments that are critical to enable private sector financing for innovative technologies that will support decarbonization of hard-to-abate sectors.

This project is also aligned with Brazil's intention to submit an Expression of Interest (EOI) under the CIF's recently launched Industrial Decarbonization Program (IDP). The project will support investments that are strategically aligned with this new program, but that require concessional financing in the short-term. This project will be presented to the World Bank Board for approval in July 2025, well before IDP funding will potentially be available. If Brazil is invited to prepare an Investment Plan under CIF-IDP, this project can help to inform the preparation of that plan, and additional financing for this project (alongside additional World Bank Group funding) could be considered by the Government of Brazil for support from IDP resources.

[a] This cover note is to be completed and submitted together with the MDB project/program proposal when requesting funding approval by Committee.

[b] For products denominated in EUR, please also provide USD equivalent in the column to the left.

[c] Please provide high-level information/appropriate links to relevant project documents and/or annexes as applicable.

[d] Insert (n/a) if not applicable to the project/program or cannot be determined at the time of submission.

[e] Per MDBs' own Paris alignment climate finance tracking methodologies.

Social Inclusion and Stakeholder Engagement [c][d]

IBRD has led a dialogue with the Government of Brazil over the past three years focused on clarifying emerging areas of clean energy development. This dialogue has been materialized by the Government of Ceara's request for IBRD along with CIF-REI support to help in the integration of vast volumes of renewable electricity for the production of green hydrogen in the Industrial and Port Complex of Pecém (CIPP). IBRD has also undertaken technical assistance for the federal government with support of ESMAP as part of the national hydrogen program to help identify hubs and economic areas of competitiveness for Brazil to initiate investment in nascent markets related to hard-to-abate liquid fuels and industrial electrification.

The IBRD has undertaken multiple rounds of market soundings with the private sector (e.g., sponsors interested in investing in green hydrogen, green ammonia, green steel, energy and material efficiency in large industries, among others), as well as other potential financiers (including IFC) to understand the market barriers and demand for this type of dedicated credit line supported by concessional funding. The private sponsors have expressed a strong interest in investing in Brazil, but they have highlighted the high risks associated with these innovative projects (uncertain market demand, viability gaps due to high costs), as well as the lack of access to concessional funding that can help mitigate these risks through decreased financing risk / debt repayment risk.

The Project will incorporate into its design best practices for continued stakeholder involvement and to ensure the project can maximize social and environmental benefits. BNB will ensure that a) all sub-borrowers will conduct stakeholder engagement in a manner proportionate to the risks and impacts of their subprojects and b) all sub-borrowers implementing subprojects categorizes as high risk will disclose relevant environment and social risk management instruments and monitoring reports. Furthermore, BNB will disclose information on the subprojects financed through its external communication channels and respond to public enquiries and concerns in a timely manner through its Grievance Mechanism.

Gender Considerations [c][d]

[a] This cover note is to be completed and submitted together with the MDB project/program proposal when requesting funding approval by Committee.

[b] For products denominated in EUR, please also provide USD equivalent in the column to the left.

[c] Please provide high-level information/appropriate links to relevant project documents and/or annexes as applicable.

[d] Insert (n/a) if not applicable to the project/program or cannot be determined at the time of submission.

[e] Per MDBs' own Paris alignment climate finance tracking methodologies.

Gender Analysis (Please insert the text from the project document on the analysis of gaps in access to services, markets, and jobs by women in relation to the project sectors)	BNB has implemented a comprehensive set of policies and actions aimed at promoting gender equality, diversity, and inclusion from both corporate and programmatic perspectives. On the programmatic side, BNB facilitates access to credit for companies with higher female participation. Furthermore, the institution places a strategic focus on prioritizing women and indigenous peoples in its research and territorial development initiatives. BNB has received the seal of the federal program for gender and race equity in all 5 editions in which it has participated. Despite this, women and non-white people continue to be underrepresented in governance bodies. Of the 6,687 employees, 32.4% are women, but in the Executive Board and main management positions, they represent, respectively, 16.7% and 17.6%. Regarding racial representation, 66.5% of employees are white. This percentage increases significantly in leadership roles, with white individuals comprising 83.3% of the Executive Board and 83.9% of key management positions. An initial assessment will be carried out with BNB's counterparts, which identified gaps in female participation in leadership positions in the bank.
Gender Activities (Please insert the text describing gender-specific activities included in the project)	The Project will enable gender, diversity, and inclusion actions as part of the financing provided by BNB to sub-projects. The project will support closing the gender gap by (i) establishing a commitment from BNB to increase female participation in leadership positions by 15 percent by 2029 (baseline of 2024), (ii) implementing a competitive processes for leadership positions with extra scoring for female applications; (iii) implementing a policy that financial bonuses of senior directorate will be linked to the compliance with a range of strategic indicators, including the gender target under (i) above, and (iv) ensuring that females represent a minimum of [30] percent of the BNB staff benefiting from technical trainings on innovative technologies that will be supported by the project
Gender Indicators (Please insert the text on selected gender specific indicators, including annual targets. from the Project Log Frame that the project is committing to report on)	Female participation in BNB technical trainings on innovative technologies [30%]. Increase the share of women in managerial positions at BNB [30%]
Just Transition [c][d]	

[a] This cover note is to be completed and submitted together with the MDB project/program proposal when requesting funding approval by Committee.

[b] For products denominated in EUR, please also provide USD equivalent in the column to the left.

[c] Please provide high-level information/appropriate links to relevant project documents and/or annexes as applicable.

[d] Insert (n/a) if not applicable to the project/program or cannot be determined at the time of submission.

[e] Per MDBs' own Paris alignment climate finance tracking methodologies.

Just Transition Analysis	The industrial sector is responsible for approximately 20% of all employment in Brazil[23], hence the clean transition of this sector must be just and inclusive to maximize the economic benefits and ensure its long-term sustainability. Studies by the International Energy Agency and the International Labor Organization indicate that investments in renewable energy and energy efficiency have the potential to create a substantial number of new, quality jobs[24]. Biofuels currently represents about half of all clean energy jobs globally, and this project can support investments to develop jobs through new value chains for biofuels, including engaging rural communities to support a just and inclusive transition. Investments in the circular economy – for example recycling of scrap steel and plastics –are expected to be sources of new jobs. Finally, studies suggest that the green hydrogen industry could generate direct, indirect, and induced jobs across emerging markets and developing countries (EMDCs) due to the intensive nature of hydrogen production, transport, and infrastructure development. Globally, the hydrogen economy is projected to create around 30 million jobs by 2050, and half of the share of these opportunities could emerge in the Global South, particularly in countries such as Brazil with large endowments of renewable energy resources[25].
Just Transition Activities	BNB places high importance on fostering green job creation. However, it's existing M&E systems do not enable the bank to systematically track these benefits. The project will support BNB to improve it's M&E systems to track this data across its lending portfolio, including for this project

[23] https://www.statista.com/statistics/271042/employment-by-economic-sector-in-brazil/

[24] https://www.iea.org/reports/world-energy-employment-2023/ and Green Jobs: Towards Decent Work in a Sustainable, Low-Carbon World, UNEP/ILO/IOE/ITUC, September 2008

[25] World Bank, Hydrogen For Development (H4D) initiative.

[a] This cover note is to be completed and submitted together with the MDB project/program proposal when requesting funding approval by Committee.

[b] For products denominated in EUR, please also provide USD equivalent in the column to the left.

[c] Please provide high-level information/appropriate links to relevant project documents and/or annexes as applicable.

[d] Insert (n/a) if not applicable to the project/program or cannot be determined at the time of submission.

[e] Per MDBs' own Paris alignment climate finance tracking methodologies.

Just Transition Indicators	The World Bank is in discussions with BNB regarding a proposed indicator to track the job creation benefits of all its direct lending operations. This will be finalized prior to Negotiations.
Expected Results (M&R)	
Project/Program Timeline	
Expected MDB Board Approval date[d]	July 2025
Expected project closure date[d]	July 2030
Expected lifetime of project results in years (including beyond project closure)	22
CTF Core Indicators	**Relevance (Yes/No) and Target**
Please identify which of the indicators below are relevant to the project concept (Yes/No). If possible, report indicative targets. (Note: Targets and disaggregated targets will be required by the CIF project proposal stage.)	
CTF 1: Tons of GHG emissions reduced or avoided (mt CO_2 eq)	8.6 MtCO2e[26] = annual 208 MtCO2e = Total
CTF 2: Volume of direct finance leveraged through CTF funding ($)	*Indicator calculated from the co-financing section below*
CTF 3: Installed capacity (MW) as a result of CTF interventions	
CTF 4: Number of additional passengers using low-carbon public transport as a result of CTF interventions	
CTF 5: Annual energy savings as a result of CTF interventions (GWh)	**300**
GESP 1: Energy rating of storage systems installed (MWh)	
GESP 2: Power rating of storage systems installed (MW)	
GESP 3: Number of GESP-supported policies, regulations, codes, or standards adopted for energy storage issues	
CTF Co-Benefits	**Targets**
Please identify one or more expected co-benefit-indicators-I.e, other social, economic, environmental benefits beyond CTF core indicators- that the project will track and report.	

[26] This indicator target aggregates the expected lifetime GHG emissions savings from a demonstrative portfolio of sub-investments in an ammonia facility (200 MtCO2e over 25 years), SAF production (5.6 MtCO2e over 23 years), and industrial EE (2.8 MtCO2e over 8 years).

[a] This cover note is to be completed and submitted together with the MDB project/program proposal when requesting funding approval by Committee.

[b] For products denominated in EUR, please also provide USD equivalent in the column to the left.

[c] Please provide high-level information/appropriate links to relevant project documents and/or annexes as applicable.

[d] Insert (n/a) if not applicable to the project/program or cannot be determined at the time of submission.

[e] Per MDBs' own Paris alignment climate finance tracking methodologies.

CTF Co-Benefit *(e.g., Gender, employment, energy access, social inclusion, health and safety, fuel savings, competitiveness and industrial development, SDGs):*	• Minimum of [50] percent of female employees as part of total receiving technical training on innovative decarbonization technologies; • [30] percent increase in females in leadership positions in BNB • [7,325] new green jobs created;[27]
Expected Date of Committee Approval	Dec 2024
Expected Date of MDB Board Approval	July 30, 2025
Additional Details (to Members)	

Version: October 2024

Link to Documents Management – here

CCH – here

CIF Website – here

CIF Pipeline Management and Cancellation Policy - here

CIF Financial Terms and Conditions Policy updated for FY24 - here

CIF Operational Modalities For New Strategic Programs - here

CTF M&R Toolkit – here

CTF (DPSP V-FUTURES) Futures Window Design Document - here

GESP Indicative Pipeline and Monitoring and Reporting Approach - here

GESP Program Monitoring and Reporting Toolkit – here

ACT Design Document - here

---

27 The preliminary 'direct green jobs creation' estimation considered the sectoral direct job multipliers estimated in "Teixeira et al., 2022, Revisitando o modelo de geração de emprego do BNDES: atualização do cálculo do efeito-renda, 2022). This estimate considers an indicative portfolio of investments in shared infrastructure, clean fuel production and decarbonization of steel and cement sectors, based on the availability of data. The figure will continue to be refined during project preparation.

[a] This cover note is to be completed and submitted together with the MDB project/program proposal when requesting funding approval by Committee.
[b] For products denominated in EUR, please also provide USD equivalent in the column to the left.
[c] Please provide high-level information/appropriate links to relevant project documents and/or annexes as applicable.
[d] Insert (n/a) if not applicable to the project/program or cannot be determined at the time of submission.
[e] Per MDBs' own Paris alignment climate finance tracking methodologies.

FY25 Pricing Policy - here

[a] This cover note is to be completed and submitted together with the MDB project/program proposal when requesting funding approval by Committee.
[b] For products denominated in EUR, please also provide USD equivalent in the column to the left.
[c] Please provide high-level information/appropriate links to relevant project documents and/or annexes as applicable.
[d] Insert (n/a) if not applicable to the project/program or cannot be determined at the time of submission.
[e] Per MDBs' own Paris alignment climate finance tracking methodologies.