

BRAZIL CLIMATE AND ECOLOGICAL TRANSFORMATION INVESTMENT PLATFORM ANNOUNCES PLAN FOR LANDMARK \$1 BILLION+ CLIMATE FUND

A first-of-its-kind fund will be developed to allocate catalytic resources to help scale industrial innovation and support Brazil's ambitious goal of halving emissions by 2035

The Brazil's Ministry of Finance, in partnership with the Brazilian Development Bank (BNDES) and the Green Climate Fund (GCF), unveiled, on November 4th, in São Paulo, plans for a landmark catalytic equity fund expected to be launched in 2026. BNDES and GCF teams are working together to assess the project concept, including an initial indicative size of more than US\$400 million. The proposed fund – the first of its kind dedicated to a single country – aims to leverage more than US\$1 billion from commercial investors and development financial institutions and serve as a cornerstone of the Brazil Climate and Ecological Transformation Investment Platform (BIP), which is designed to mobilize large-scale investment in Brazil's green transition.

"The Brazilian Investment Platform is a new instrument we have launched as part of Brazil's Ecological Transformation Plan. It connects our financing strategy to a new generation of projects that will drive a low-carbon and inclusive economy in Brazil," said the Minister of Finance of Brazil, Fernando Haddad. "The Catalytic Equity Fund we are announcing today with the Green Climate Fund and BNDES is a cornerstone of this effort, the first of its kind in Brazil's strategic engagement with the GCF. Together with BNDES, our key partner in financing the ecological transformation, we are building the tools and partnerships needed to scale investments that turn ambition into implementation".

"Speeding progress against climate change will require an enormous amount of new investment, and Brazil is proving that public-private collaboration can unlock the resources needed to spur it," said the Founder of Bloomberg Philanthropies and Chair of the Glasgow Financial Alliance for Net Zero (GFANZ), Michael R. Bloomberg. "This new fund will help to bring to life more projects that cut emissions, spur economic growth, improve people's lives in Brazil – and create a model that other countries can learn from".

“Because GCF’s type of finance is among the scarcest—given its risk-sharing flexibility and concessional terms—when used strategically it can drive transformation at scale,” said the Executive Director of the Green Climate Fund, Mafalda Duarte. Through our partnership with Brazil’s Climate and Ecological Transformation Investment Platform (BIP), and an understanding of the greatest structural barriers to investment, we were able to identify and agree on the most significant ways to unlock ambition. The proposed Catalytic Equity Fund is being structured to close the mismatch between available commercial equity and the needs of climate-aligned projects. This will build on GCF’s track record of equity investments in EMDEs globally for both mitigation and adaptation purposes”.

"The creation of this fund represents a strategic advance in the Brazilian ecological transformation," said the President of BNDES, Aloizio Mercadante Oliva. "By structuring catalytic capital mechanisms with the participation of the private sector, BNDES reaffirms its role as an agent that induces investments in key sectors of the new economy. BIP consolidates itself as a national coordination instrument for resource mobilization at scale, focusing on climate solutions that promote productive development, social inclusion, and environmental sustainability. This initiative also positions Brazil as an international reference in the construction of financial models aimed at the climate transition, with the potential to be replicated in other emerging economies”.

In just its first year, the BIP has moved from ambition to action, rallying public and private partners behind a shared vision for Brazil’s climate transformation. With this new fund, Brazil would break new ground in country-led climate finance – directing catalytic investment for innovative solutions in priority sectors to help achieve Brazil’s Nationally Determined Contribution (NDC), reducing emissions by 59% to 67% by 2035.

The planned funding structure announced today expects to combine resources from the Green Climate Fund (GCF) – a draft funding proposal is under assessment– and BNDES, mobilizing additional capital and resulting in an estimated total equity fund of more than \$1 billion. This innovative blended finance model is being structured to use concessional capital to de-risk investments and catalyze significant private-sector participation – a critical approach for emerging markets and developing economies (EMDEs).

Brazil’s approach to leveraging catalytic capital through the BIP offers a blueprint for EMDEs aiming to establish successful country platforms that work to deliver national priorities by coordinating with the public and private sectors. The fund has the opportunity to provide a scalable, replicable model for blending

concessional and private capital to close financing gaps, and to deploy public capital more strategically through a country-led platform to demonstrate the power of public-private partnerships in mobilizing climate-aligned investment at scale.