

SUCCESS CASES FROM MINAS GERAIS STATE/BRAZIL

CLIMATE FINANCE

The Development Bank of Minas Gerais and the Climate Agenda

The Development Bank of Minas Gerais (BDMG) places the climate agenda as the core of its strategy, focusing on impactful projects, addressing market failures, and continuously developing measurement, reporting, and verification practices. The Bank relies on targeted fundraising for its operations, with the European Investment Bank operation being the first in a series:



In 2019, BDMG signed a groundbreaking €100 million contract with the European Investment Bank (EIB) to finance solar energy and energy efficiency projects. Of this amount, €90 million was allocated for energy generation and €30 million for small enterprises (SMEs). This initiative was pioneering for the bank, aligning with its goals to promote the energy transition in Minas Gerais. Through this contract, 62 projects were financed, resulting in the generation of 182 MW of new installed capacity and the reduction of 44,000 tons of CO₂ annually, equivalent to 1,275 round trips between Rio de Janeiro and São Paulo. In 2021, the contract was expanded to €120 million, further bolstering the state's renewable energy portfolio.

Municípios com projetos de geração de energia 2019-2023

Consolidation and New Partnerships

Maturing its climate financing strategy and expanding its operations with other partners, BDMG signed in December 2023 the first operation of the Asian Infrastructure Investment Bank (AIIB) approved in Brazil, aimed at renewable energies and MG-Asia connectivity, through a 30 million dollar loan.

Previously, in October 2022, BDMG had its project with the New Development Bank (NDB) for a 200 million dollar operation approved by Cofix, focusing on clean energy, urban development for inclusive and sustainable cities, sustainable agriculture, and social infrastructure. The contract has already been negotiated, and the operation is being processed by federal agencies for the approval of the Union's collateral.

Currently, a new results-based financing model is being structured in partnership with the Inter-American Development Bank (IDB), having been selected for IDB Climate. It aims at decarbonization and increasing climate resilience, expanding the bank's credit portfolio, aiming for long-term results that will consolidate Minas Gerais' role in leading innovative climate practices. The operation will be worth 100 million dollars and has already had its Project Profile (PP) approved by the IDB.