



Promoting financing for projects with high environmental impacts

Project start-up: **2009**

Financing: **USD30M senior loan**

Partner: **Banco Fibra**

Impacts

Thanks to the line of credit allocated by PROPARCO, Banco Fibra will be able to exclusively finance exemplary investment projects, particularly in the ethanol, cogeneration and renewable energies sectors.

This financing is the first line of credit directly allocated by PROPARCO in Brazil. It will also allow the young Brazilian bank to calculate the **carbon balance of its financing by using the tool developed by AFD.**

PROPARCO will be providing technical assistance.

This financing – via a USD10M subparticipation - is AFD's **first commitment in Brazil.**

Context

Banco Fibra is a young medium-sized privately owned Brazilian bank (1989) whose core business is to finance SMEs. It currently has some 1 100 corporate clients which have an annual turnover between 40 and 400 million Reais (Brazilian currency). In addition to financing SMEs, Banco Fibra also has a retail activity, mainly focused in direct consumer lending.

Project objective

AFD Group's mandate in Brazil – and in all emerging countries – is to preserve Global Public Goods (biodiversity, fight against major pandemics and climate change).

The project has two objectives:

- to support a young bank in its development by allowing it to extend maturities on the loans it allocates to its SME client base;
- to finance SMEs with exemplary investment projects in sectors with high environmental impacts, such as clean energies (hydropower plants), green transport (ethanol), reducing greenhouse gas emissions and protecting Amazon rainforests.

Project description

The project involves allocating a line of credit to Banco Fibra, earmarked to finance projects in the sectors of ethanol, cogeneration and renewable energies. This first line of credit directly allocated by PROPARCO in Brazil stands at USD30M, with USD10M of AFD subparticipation.

Find out more on www.proparco.fr