

# European Investment Bank and AllianzGI announce \$77.5 million for Brazilian climate action projects with Vinci Climate Change Fund



- **The Vinci Climate Change Fund will invest in infrastructure projects in Brazil in the renewable energy, water and sewerage sectors, and in solutions for carbon emission reduction, energy storage and energy efficiency, to back up to \$400 million of climate action investment by Brazilian fund manager Vinci Infraestrutura Gestora de Recursos Ltda.**

On the occasion of the [Finance in Common Summit](#), the European Investment Bank (EIB) today announced a \$52.5 million commitment to Vinci Climate Change Fund, an equity investment fund with a target size of \$400 million managed by Vinci Infraestrutura Gestora de Recursos Ltda. On top of this, the Emerging Market Climate Action Fund (EMCAF),

a fund-of-funds managed by Allianz Global Investors (AllianzGI) and advised by the EIB, announced a \$25 million commitment to the fund.

The Vinci Climate Change Fund will invest equity to finance the development and construction of medium to large infrastructure projects and platforms in Brazil. In the power sector, the fund will primarily target utility-scale renewable energy projects but is also expected to invest in distributed solar energy generation platforms for commercial and industrial users. In the water and sewerage sector, the fund will team up with strategic players to operate concessions with municipalities, with extensive investment programmes to expand network coverage and reduce water loss. In the energy sector, it will focus on energy efficiency projects and energy storage projects to facilitate the integration of intermittent renewable energy into the grid.

EIB Vice-President **Ricardo Mourinho Félix** said: “I’m proud to announce that the \$52.5 million commitment from the EIB will be invested exclusively in climate action and environmental sustainability projects. Electricity will be provided to supply-constrained electricity systems and a currently underserved population, pollution generation sources will be displaced, and water and sanitation services will be provided to an unserved population. This is expected to have great benefits for the people of Brazil and will reduce public health costs, improve the quality of surface water and avoid greenhouse gas emissions.”

**Tobias Pross**, CEO at Allianz Global Investors, said: “In times when private capital for climate finance is more urgently needed but remains restricted, we are proud as the manager of EMCAF to be able to allocate such capital at scale to emerging markets thanks to the blended finance structure of EMCAF. We expect our investment to meaningfully contribute to measures in the mitigation of climate change and adaptation in Brazil.”

The European Investment Bank is the world’s largest international public bank and a leading financier of renewable energy and climate action projects around the world. As a long-standing partner for renewable energy and climate action projects in Brazil, and the largest climate financier in the world, the investment in Vinci Climate Change Fund will enable the EIB to further support clean energy investment and back the development of renewable energy in the country.

This investment is part of the European Union’s [Global Gateway initiative](#) supporting projects that improve global and regional connectivity

in the digital, climate, transport, health, energy and education sectors, and will help the EIB to achieve its target of allocating 50% of its financing to climate action and environmental sustainability projects by 2025, while demonstrating a strong strategic alignment with EU policy goals in Brazil in accordance with the Green Deal Team Europe-Brazil initiative.

## **Background information**

### **About the EIB:**

The [European Investment Bank](#) is the long-term lending institution of the European Union owned by its Member States. It makes long-term finance available for sound investment in order to contribute towards EU policy goals. The EIB brings the experience and expertise of our in-house engineers and economists to help develop and appraise top quality projects. As an AAA-rated, policy-driven EU financial institution, the EIB offers attractive financial terms such as competitive interest rates with project-aligned loan durations. Through our partnerships with the European Union and other donors, we can provide grants to further improve the development impact of the projects we support.

### **About EIB Global in Brazil:**

The EIB is the largest multilateral public bank in the world. In 2022, it financed around €10.8 billion in investments outside the European Union via [EIB Global](#), the arm of the EIB created that same year for activities beyond Europe. Brazil is the biggest beneficiary of EIB financing in Latin America. Since the EU bank started working there in 1997, it has provided over €5.4 billion to finance investments on favourable maturity and interest rate terms with the aim of improving the quality of life of the people of Brazil. Brazil represents around 40% of the EIB's portfolio in Latin America.

### **About EIB Global in Latin America:**

EIB Global has been providing economic support for projects in Latin America since 2022, facilitating long-term investment with favourable conditions and providing the technical support needed to ensure that these projects deliver positive social, economic and environmental results. Since the EIB began operating in Latin America in 1993, it has provided total financing of around €13 billion to support more than 150 projects in 15 countries in the region.

## **About the Global Gateway initiative**

EIB Global is a key partner in the implementation of the European Union's [Global Gateway](#) initiative, supporting sound projects that improve global and regional connectivity in the digital, climate, transport, health, energy and education sectors. Investing in connectivity is at the very heart of what EIB Global does, building on the Bank's 65 years of experience in this domain. Alongside our partners, fellow EU institutions and EU Member States, we aim to support investment of €100 billion (around one-third of the overall target of the initiative) by the end of 2027, including in Brazil and the rest of Latin America.

## **About EMCAF**

EMCAF is an innovative blended finance fund initiated jointly by the EIB and Allianz Global Investors (AllianzGI) to finance climate mitigation and adaptation as well as environmental projects in Africa, Asia, Latin America and the Middle East. During its summit in Elmau (Germany) in June 2022, the Group of Seven (G7) endorsed EMCAF as an example of a concrete innovative and market-led approach to mobilising private investments for climate-relevant infrastructure and to enhancing multilateral finance and collaboration.

## **About Allianz Global Investors**

Allianz Global Investors is a leading active asset manager with over 600 investment professionals in 20 offices worldwide and managing €520 billion in assets\*. We invest for the long term and seek to generate value for clients every step of the way. We do this by being active in how we partner with clients and anticipate their changing needs, and build solutions based on capabilities across public and private markets. Our focus on protecting and enhancing our clients' assets leads naturally to a commitment to sustainability to drive positive change. Our goal is to elevate the investment experience for clients, whatever their location or objectives.

\*Data as at 30 June 2023.

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