



**ECLAC / UNEP FI**

**Double Roundtable**

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## Basic Information



- ⇒ Founded in 1952
- ⇒ Sovereign Risk:  
100% owned by Federal Government
- ⇒ The main source of medium and long-term financing for the Brazilian economy
- ⇒ Main Brazilian agent of multilateral credit organizations
- ⇒ 1,600 employees



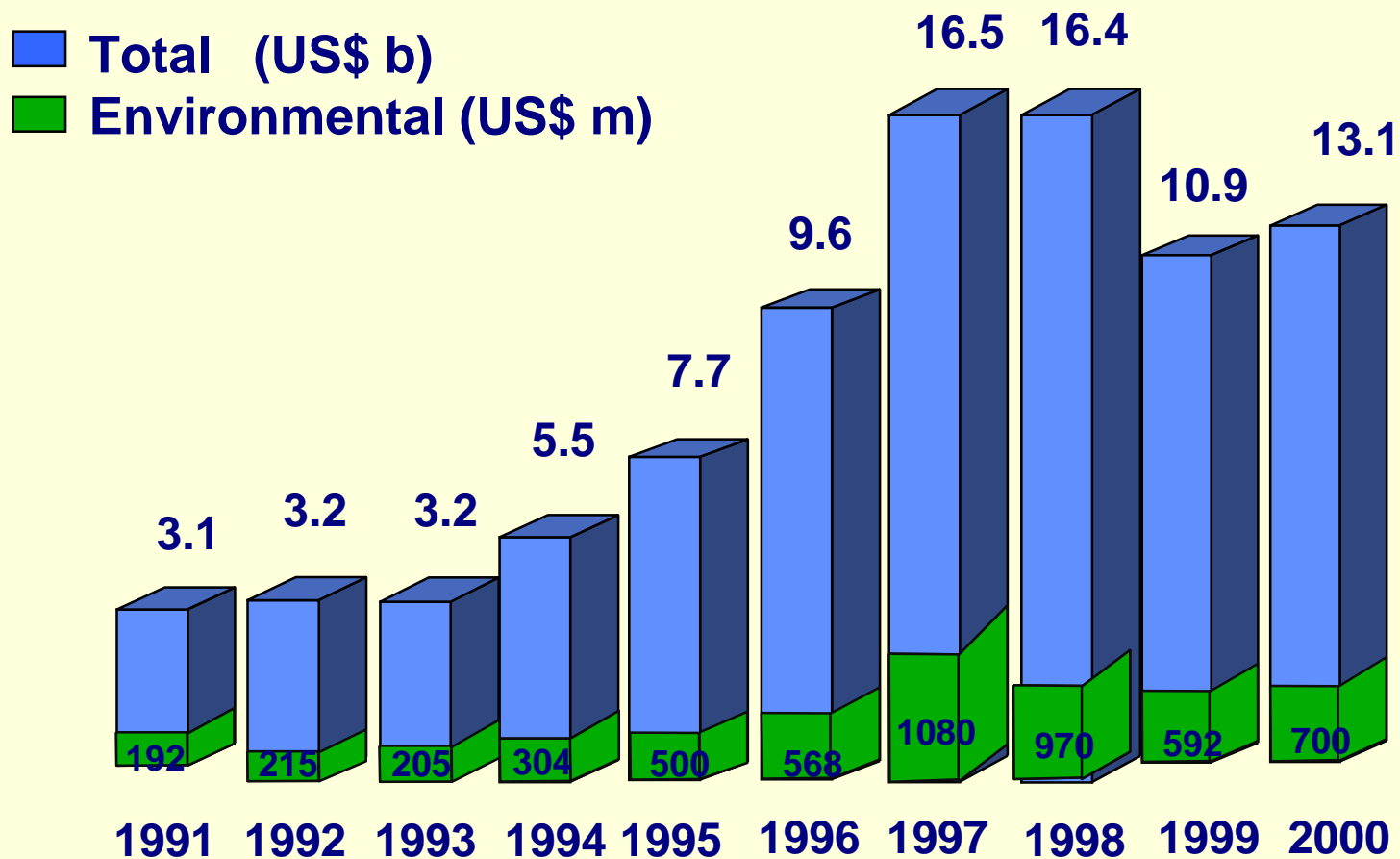
## Leading Indicators



	<i>R\$</i>	<i>US\$</i>
<b>Assets</b>	<b>100.6</b>	<b>55.8</b>
<b>Net Worth</b>	<b>11.8</b>	<b>6.5</b>
<b>Disbursements in 2000</b>	<b>23.4</b>	<b>13.1</b>
<b>Profits in 2000</b>	<b>0.867</b>	<b>0.481</b>



# Disbursements





## Credit policy & procedures



- ⇒ Exposure limits: sector and client
- ⇒ Rating policy and Credit Committee
- ⇒ No foreign capital discrimination
- ⇒ All loans require collateral and repayment capacity
- ⇒ Onlending through financial intermediaries, which assume the final credit risk



## Main credit operations



- ⇒ Financing of
  - Fixed investment
  - Export of goods and services
  - Acquisition and leasing of machinery and equipment
- ⇒ Equity Investment



## Credit ranges



**Up to R\$ 7 million ( around US\$ 3.4 million )**

**BNDES Automatic - financing through a network of accredited financial institutions (onlending )**

**In excess of R\$ 7 million**

**FINEM - Direct financing**

**Unlimited**

**FINAME - Machinery and equipment (onlending )**



# Vision 2005



MISSION

VISION 2005

Capital  
Markets

Modernization  
of Productive  
Sectors

Infrastructure

Exports

Social  
Development

MSMEs

Regional  
Development

Privatization



## Environmental & Natural Resources



### Mission

- ⇒ Management of the environmental risk associated to BNDES financial actions, incorporating compromissés taken by the Brazilian Government according to the Earth Summit and Agenda 21.



## Environmental Policy

- ⇒ legal obligation
- ⇒ ethic commitment
- ⇒ participation in National Policies and Programs - Green Protocol
- ⇒ environmental risks management
- ⇒ business niche



## Guidelines



- ⇒ Sustainable growth
- ⇒ Liabilities correction / prevention
- ⇒ Long-term credit
- ⇒ Taylor-made financial mechanisms
- ⇒ Pollution Abatement and recuperation of degraded areas



## Brazilian Environmental Agenda



**Green**

**Biodiversity conservation**

**Blue**

**Watershed, coastal areas, rivers and  
undreground water management**

**Brown**

**Urban and industrial pollution remediation,  
Waste management**

**White**

**Agenda 21, National Development and  
Sectoral policies**



## Brazilian Development Policy



- ⇒ Partnership BNDES & Ministry of Planning
  - First time ever
  - integrated approach of economical, social, environmental, information and knowledge issues
  - Integrated Axis of Development spacial and ecological boundaries
  - Broad consultation among stakeholders
  - Investment portfolio 2000-2005
    - total ..... US\$ 165,1 billion
    - environmental .... US\$ 12,4 billion



## Impact on Financial Services Sector Difficulties and Opportunities

⇒ Example of domestic pressure:

*legal system:*

- National Environment Policy conditions the official credit to environmental compliance
- “Law for Nature”: every citizen, public entity or private company might be held responsible for civil and criminal liability in case of proven environmental damage



## Impact on Financial Services Sector Difficulties

- ⇒ Good legal framework with weak and burocratic implementation. Several types of Permits;
- ⇒ timing (EIA process is time-consuming and should be previous to the investment decision);
- ⇒ fragile enforcement and monitoring;
- ⇒ Public Prosscuter calling bank's attention for co-responsibility;
- ⇒ Reactive behaviour still remains. Poor self motivation;
- ⇒ International market demands certified products and life cycle analyses.



## Impact on Financial Services Sector Opportunities



- ⇒ Compliance of the borrower to avoid liabilities
- ⇒ Enhancement of environmental awareness
- ⇒ NGO partnerships
- ⇒ Development and improvement of frameworks
  - inventories, satellite and continuous monitoring
  - due diligence, EIA
  - environmental accounting, rating and reporting
- ⇒ cost-effective projects demanding adequate funding



## Bussiness Opportunities for the Financial Services Sector



- ⇒ long-term credit for pollution abatement, environmental protection and remediation
- ⇒ funding for sectorial and national enviromental policies / programs
- ⇒ substancial capital flows for the privatization of sanitation, waste and water supply
- ⇒ urban infrastructure projects and poverty aleviation
- ⇒ ethic and social responsible funds
- ⇒ derivatives ( CDM )



## Venture Investing



### **Transparency and Quality Assurance**

- ⇒ taylor made
- ⇒ capacity building
- ⇒ technical assistance
- ⇒ monitoring, indicators
- ⇒ non traditional banking structure
- ⇒ stakeholders dialogues
- ⇒ coordinated actions
- ⇒ priority to innovative and successful projects



## Potencial Market



- ⇒ organic / green agriculture
- ⇒ exotic fruits & nuts
- ⇒ natural products
  - . cosmetics, fragrances
  - . pharmaceuticals
  - . textiles
- ⇒ bioproducts
- ⇒ renewables
- ⇒ conservation of protected area
- ⇒ biodiversity corridor, watersheds management



## Real Market



- ⇒ basic sanitation
- ⇒ pollution abatement
- ⇒ solid waste
- ⇒ cleaner production & technology
- ⇒ cleaner fuels
- ⇒ reforestation
- ⇒ sustainable forestry
- ⇒ ecotourism
- ⇒ consultant works / certifications



## Environmental Projects



- ⇒ Control of pollution, remediation of contaminated sites, recuperation of degraded areas (old problems, non compliance)
- ⇒ Prevention of new liabilities, *ecoeficiency*
- ⇒ Solid Waste collection and disposition
- ⇒ Environmental Monitoring;
- ⇒ Reforestation;
- ⇒ Socio-environmental initiatives;
- ⇒ Work safety and health;
- ⇒ Environmental Management Systems.



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