

Brazil (CL) : Northeastern Clean Power Distribution Improvement Project



Contributing to improving power distribution network in one of Brazil's regions with the greatest potential for economic development through JICA's first Sustainability-Linked Loan (SLL)

Project Description: The project aims to finance capital expenditures necessary for strengthening the power distribution network, while providing interest rate incentives linked to Coelba's efforts to digitalize its distribution system and increase the proportion of female electrical engineers. Through these measures, the project seeks to reduce technical losses and improve energy efficiency, enhance the stable supply of electricity in the region where renewable energy is a key power source, and thereby contribute to climate change mitigation and the promotion of gender equality in the power sector.

Impact

1. Contribution to improving power distribution network in one of the most impoverished regions

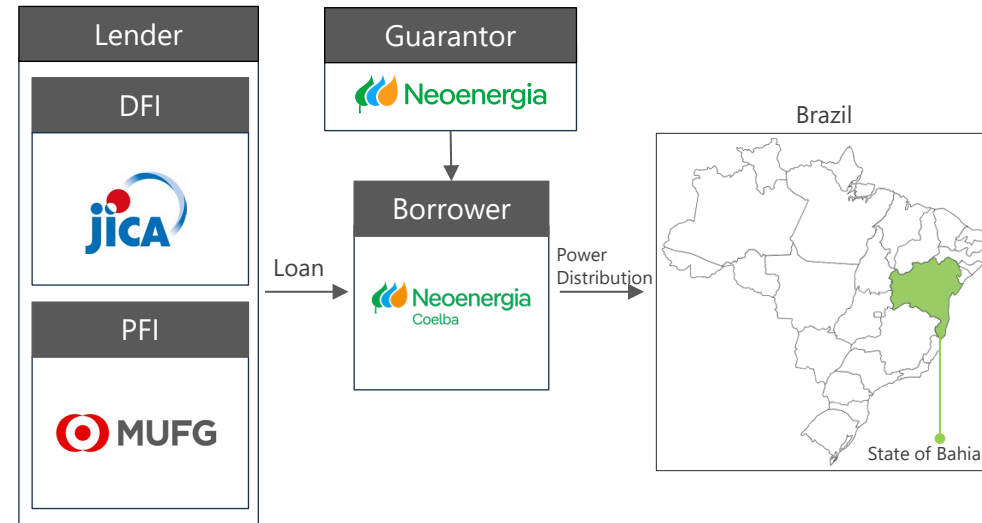
Through the renewal and upgrading of distribution facilities in Bahia State, one of the poorest areas in Brazil's Northeastern region, the project contributes to improving the stability of electricity distribution.

2. Contribution to climate change mitigation and gender equality through JICA's first Sustainability-Linked Loan (SLL)

SLL is a type of loan that helps realize a more sustainable environment and society by adjusting loan conditions, such as interest rates, depending on whether the borrower has achieved pre-defined sustainability targets, thereby incentivizing continuous efforts by the borrower. In this project, the SLL targets are set on (i) digitalization of the distribution network and (ii) increasing the share of female electricians to promote initiatives for gender equality and climate change mitigation by improving the efficiency of distribution operations and reducing power losses.

3. Sustainable finance collaboration with MUFG

This project is the first application under the "MUFG-JICA Sustainable Finance Framework," jointly established by MUFG and JICA to promote and expand sustainable finance initiatives



Signing ceremony



Female electrical engineer inspecting distribution network