World Bank Group backs $1.06 Billion push to decarbonise Brazilâ??s energy-intensive industries

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The $1.06 billion financing package will target steel, cement, chemicals, aluminium and low-carbon fuels while mobilising another $1.8 billion in development and commercial capital

The World Bank Group is backing Brazil’s push to decarbonise its most energy-intensive industries, combining more than $1 billion in concessional and development financing with an effort to turn the country’s renewable energy advantage into a new source of industrial competitiveness, investment and jobs.

Implemented in partnership with Banco Nacional de Desenvolvimento Econômico e Social (BNDES), the initiative targets industrial and energy value chains including steel, cement, chemicals, aluminium and low-carbon fuels. The programme is designed to accelerate deployment of emerging technologies, reduce the risks associated with early-stage investments and draw private capital into Brazil’s industrial transition.

The financing comprises a $1 billion loan from the International Bank for Reconstruction and Development (IBRD) and a $60 million Clean Technology Fund loan. It is expected to mobilise a further $1.8 billion in development and commercial financing, taking the potential financing pool linked to the initiative to about $2.86 billion.

Resources will be channelled through BNDES, which has a financing portfolio of approximately R$585 billion and is positioned to help move low-carbon technologies from demonstration and early investment towards commercial scale. The project supports Brazil’s target of reducing the greenhouse gas intensity of industrial GDP by 30 per cent by 2033.

The programme will focus on three interconnected areas. The first is low-carbon industrial commodities, with financing directed towards cement, steel, glass, chemicals and aluminium producers seeking to cut emissions while maintaining competitiveness in international markets.

The second is low-carbon fuels, where investments will support sustainable aviation fuel, e-methanol, biomethane and other next-generation fuels. These technologies are expected to play a growing role in reducing emissions from sectors such as aviation and maritime transport, where direct electrification remains challenging.

The third area is common-user infrastructure. Shared assets such as green hydrogen and ammonia storage facilities and pipelines can provide multiple industrial users with access to low-carbon inputs, helping reduce infrastructure costs and lowering barriers to technology adoption.

A key objective is to use public and development finance to demonstrate the commercial viability of low-carbon industrial investments and crowd in private capital as markets mature. By reducing the risks faced by early movers, the initiative seeks to create conditions for broader commercial financing of industrial decarbonisation.

“Brazil's clean energy matrix is one of its greatest competitive advantages. This project is about turning that advantage into a driver of industrial transformation, one that reduces emissions, attracts investment, and creates quality jobs in the industries of tomorrow. By working with BNDES, we are combining the reach of Brazil's premier development bank with the World Bank's global experience towards a more prosperous and more sustainable Brazil,” said Cécile Fruman, World Bank Director for Brazil.

The initiative places Brazil’s relatively clean power system at the centre of a broader industrial strategy: using renewable energy and emerging low-carbon technologies not only to cut industrial emissions, but also to build new value chains around cleaner commodities, fuels and shared infrastructure.