



THE EIB IN LATIN AMERICA AND THE CARIBBEAN:

protecting the environment, fighting climate change

Latin America and the Caribbean are rich in natural resources, biodiversity and vital ecosystems. Many countries in the region face socioeconomic challenges and are highly vulnerable to climate change. Natural disasters have repeatedly caused devastating effects on lives, livelihoods and economies, disproportionately affecting the most vulnerable. Moreover, urban pollution and waste treatment represent enormous challenges besides the rising demand for energy and transport due to demographic changes and urbanisation.

In Latin America and the Caribbean, the EIB helps communities adapt to climate change and become more resilient to natural hazards. We support the reduction of carbon emissions and the protection of the environment and biodiversity.

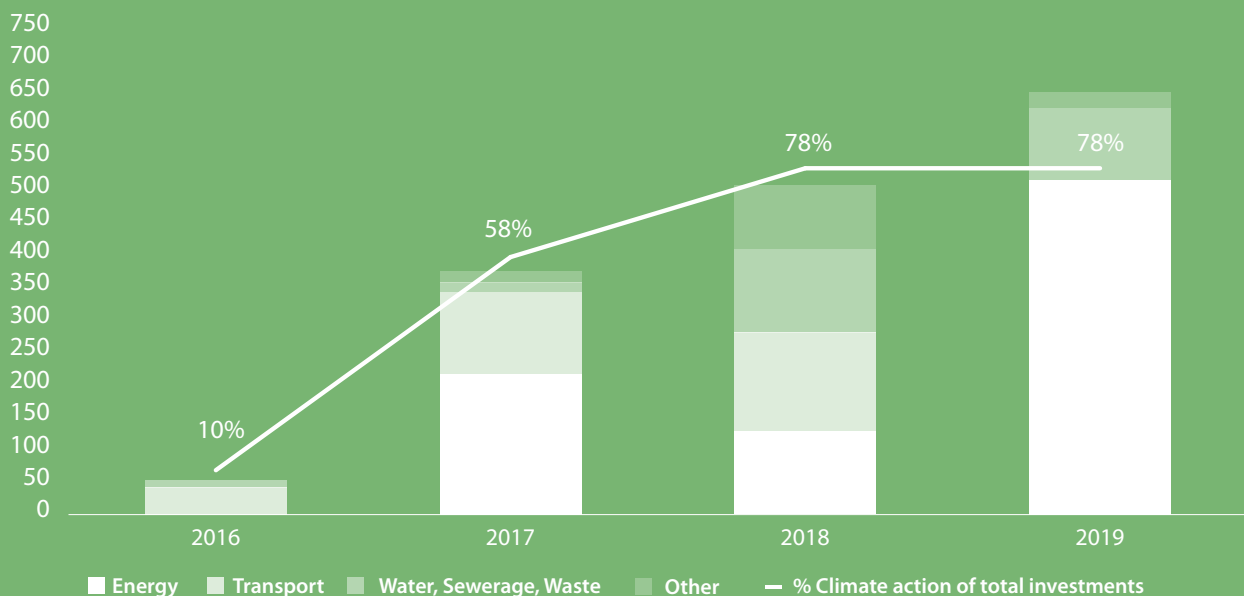
The EIB is scaling up its financing to foster the transition towards more digital, green and circular economies. Our investments with low-cost funding create new jobs and reduce socioeconomic inequalities. We often combine our loans with EU-backed grants to lower investment costs, or for technical assistance and developing skills to ensure the projects we support have a greater impact.

Over €3 billion for climate action in Latin America and the Caribbean since 2010, with €639 million in Latin America and €44 million in the Caribbean in 2019 alone.

CLIMATE IN EVERYTHING WE DO

The EIB follows an integrated approach to combating health, economic and climate crises. **We take climate into account in our COVID-19 response.** For example, our water supply project in Barbados, signed in 2020, is improving access to clean drinking water and sanitation for the population. This is strengthening the country's resilience to climate-induced droughts, but also to health crises, such as the COVID-19 pandemic, as access to clean water is essential for virus prevention. Climate-proof solutions also have a positive economic outcome, as they are cost-effective, create jobs and strengthen the independence and security of vital public services. They lower operating costs, for example by reducing fuel consumption. In addition, climate-resilient infrastructure saves costs in the long run, as it is less affected by natural disasters.

EIB'S CLIMATE ACTION INVESTMENTS IN LATIN AMERICA



OUR MISSION

We help mobilise the financing needed to keep global warming well below 2°C, with a target of 1.5°C. In 2019, the EIB adopted a **new set of targets for climate action and environmental sustainability, drastically increasing its ambitions for the critical decade ahead.** We will gradually increase financing for climate and the environment to 50% of the total lending volume by 2025, ensuring that the EIB Group mobilises at least €1 trillion in the all-important period between 2021 and 2030. The EIB Group will align all its financing activities with the principles and goals of the Paris Agreement by the end of 2020. To this end, the EIB will cease financing fossil fuel-based projects from late 2021.

The EIB's goals in Latin America and the Caribbean are aligned with the European Union's external cooperation and development policies, as currently defined in the European Union Mandate. We contribute to achieving the European Union's Green Deal objectives and the United Nations' Sustainable Development Goals. Moreover, we are part of Team Europe, a package that combines resources from the European Union, its Member States, and financial institutions – in particular the EIB – to support countries in their fight against the COVID-19 pandemic and its consequences.

For an overview
of our climate action in
Latin America and
the Caribbean,
watch this video:
<https://bit.ly/34heHrd>

MAIN ACTIVITIES

In Latin America and the Caribbean, **we focus on building climate-resilient and low-carbon infrastructure in transport, energy, water, sanitation and waste treatment, post-disaster reconstruction, forestry and agriculture.**

TRANSPORT

Enhancing mobility in urban and rural areas is important for trade, economic activities and overall quality of life. Low-carbon transport reduces carbon emissions and improves air quality. The EIB is among the largest financiers of suburban networks in Latin American capital cities, including the modernisation of the Buenos Aires metro and the construction of Quito's first suburban railway line.

Watch this video
to find out more about
the construction
of the metro in Quito:
<https://bit.ly/34gh9hE>



ENERGY

Reliable access to energy is crucial for households and businesses, but energy production is the largest contributor to global carbon emissions. Investing in climate-friendly energy provision is one of our core businesses, because of its importance for economic development and its great potential for climate change mitigation. We support solar, wind, hydro- and geothermal power and stable grids that prevent energy losses. Through energy-efficient production methods and energy-smart buildings, companies can reduce their carbon footprints and save money. Our investments in renewable energy also support employment. For example, the EIB partnered with the subsidiary of an European energy company to finance wind farms in the Brazilian states of Paraíba, Bahia and Piauí. These wind farms are expected to create 2 300 jobs.

BRAZIL: WIND FARMS IN PARAÍBA, BAHIA AND PIAUI (2019)

- EIB loan: €250 million
- Construction of 15 wind farms in Paraíba, Bahia and Piauí with total installed capacity of 520 MW, producing an annual average of 2 300 GWh of clean energy.
- Benefits: the project will help to reduce CO₂ emissions and increase renewable energy production in the country. It is expected to create 2 300 jobs.



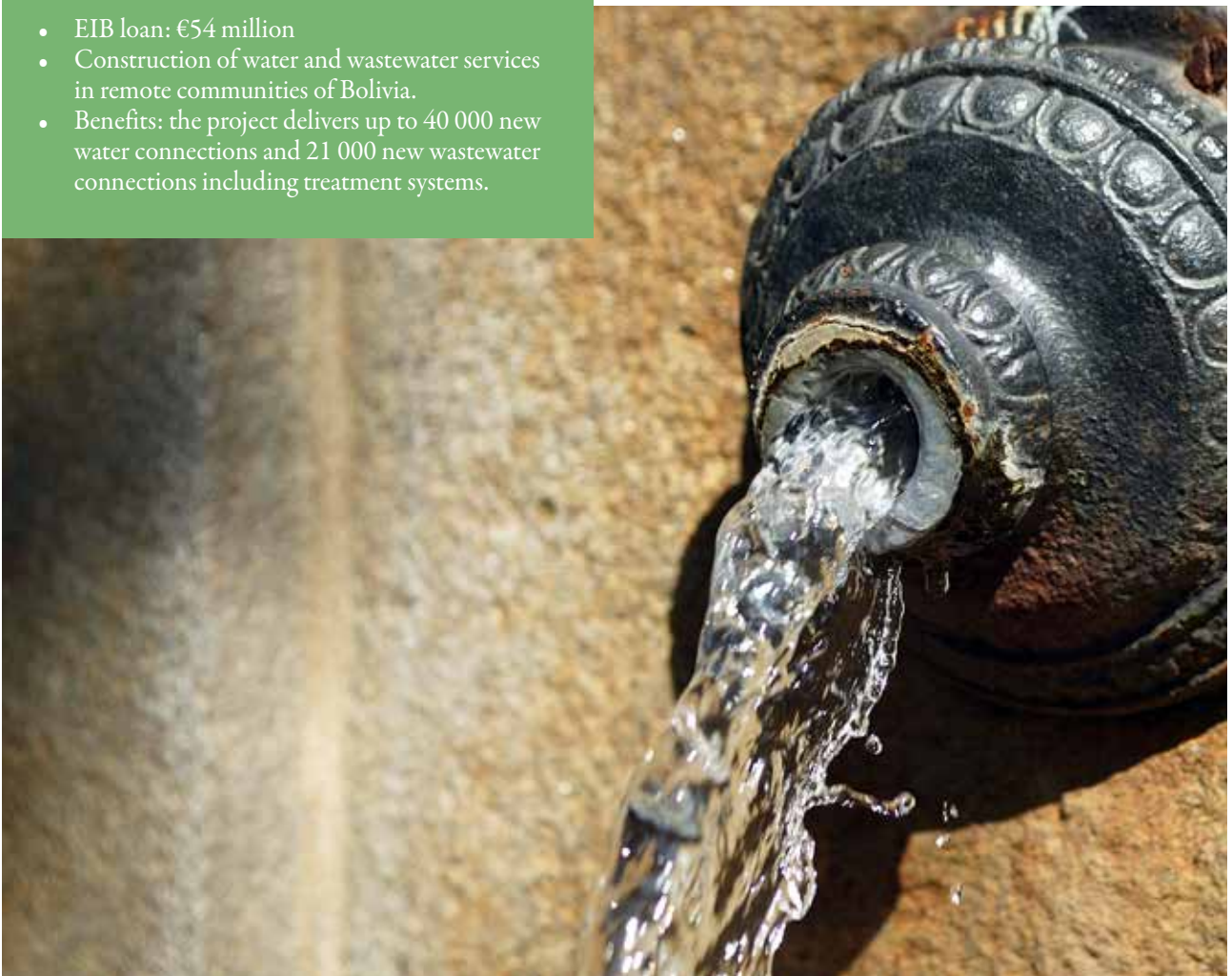
WATER, SANITATION AND WASTE TREATMENT

Access to clean water is a basic human need. It is essential for people's health, but can be threatened by droughts and flooding. The EIB supports the building of wastewater treatment plants and the extension of water connections to rural households in a manner that ensures their resilience to adverse climate effects. Our infrastructure investments also tackle waste and the resulting pollution of air, water and soil. For instance, a €45 million EIB loan supported the installation of an integrated waste management system in the Argentinian province of Jujuy. The financing was complemented by a €7.7 million investment grant and technical assistance from the EU through the **Latin American Investment Facility**. Besides ensuring the proper collection, treatment and disposal of waste, the project helped to reduce waste generation through recycling and reuse. This not only benefits the environment, but also prevents health issues caused by hazardous chemicals along with air, water and soil pollution.

Find out how our financing for a waste management system improves lives in Jujuy: <https://bit.ly/3aOWDGp>

BOLIVIA: WATER AND SANITATION PROJECT (2018)

- EIB loan: €54 million
- Construction of water and wastewater services in remote communities of Bolivia.
- Benefits: the project delivers up to 40 000 new water connections and 21 000 new wastewater connections including treatment systems.



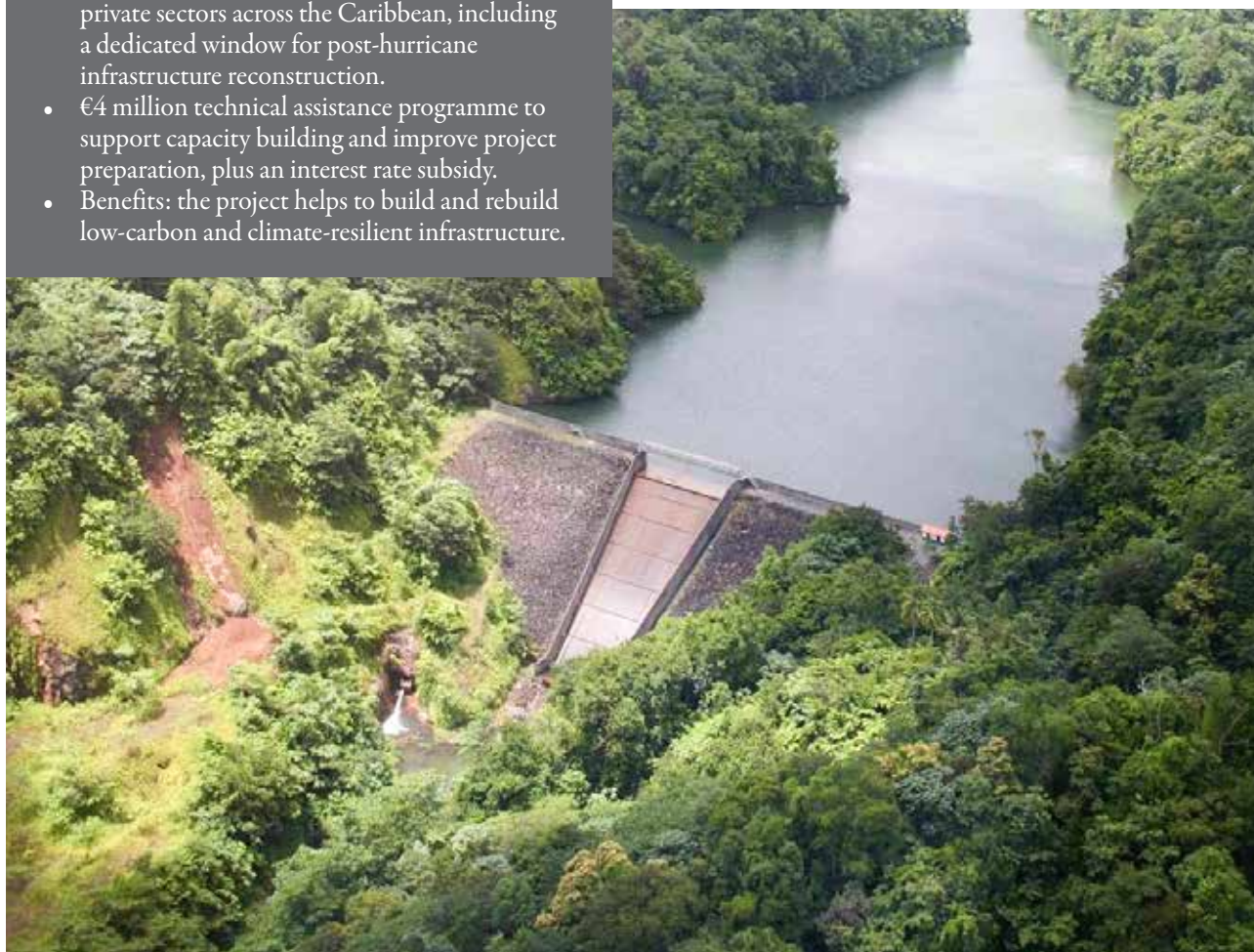
POST-DISASTER RECONSTRUCTION AND CLIMATE RESILIENCE

Extreme weather events are occurring more frequently because of climate change. When a disaster strikes, lives and livelihoods are lost, and economic development is set back for years. We support rapid post-disaster infrastructure and housing reconstruction and long-term resilience. Caribbean countries are often affected by hurricanes, earthquakes and floods. After two hurricanes hit the Dominican Republic in 2017, the EIB helped restore livelihoods and build resilient infrastructure. This included housing for people living in vulnerable situations, roads, bridges and hydraulic infrastructure. We blended our €44 million loan with a €17 million investment grant and technical assistance from the European Commission's **Caribbean Investment Facility** to make these projects happen, which would not have been possible with conventional financing. Moreover, we launched two credit lines with the Caribbean Development Bank totalling €170 million to help enhance the resilience of Caribbean countries.

REGIONAL: CARIBBEAN DEVELOPMENT BANK CLIMATE ACTION LINE OF CREDIT (2017)

- EIB loan: €170 million
- The project backs small-scale climate mitigation and adaptation projects in the public and private sectors across the Caribbean, including a dedicated window for post-hurricane infrastructure reconstruction.
- €4 million technical assistance programme to support capacity building and improve project preparation, plus an interest rate subsidy.
- Benefits: the project helps to build and rebuild low-carbon and climate-resilient infrastructure.

Watch how we reconstruct infrastructure and increase resilience to natural disasters in the Caribbean:
<https://bit.ly/3gbZM3M>

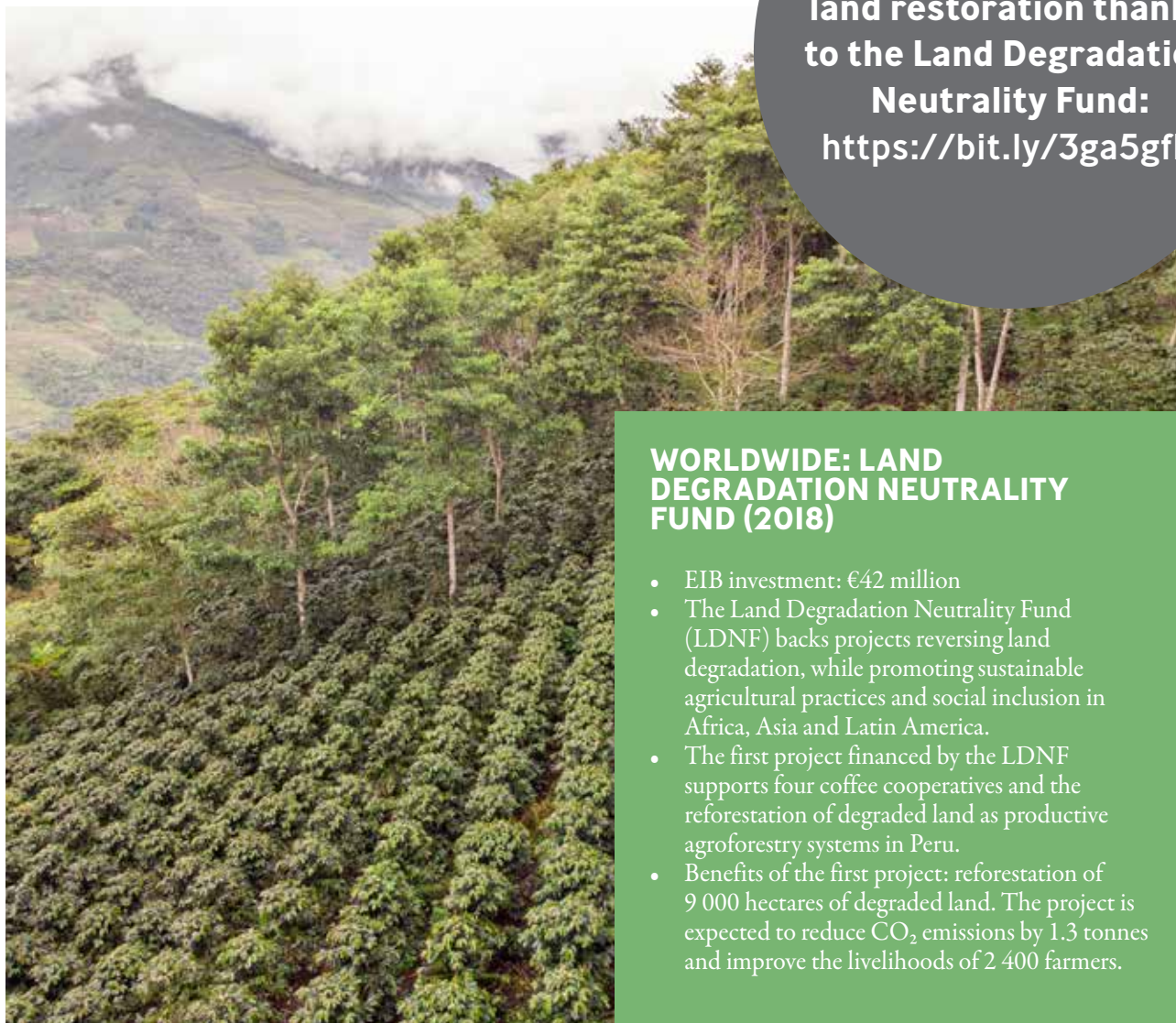


FORESTRY, BIODIVERSITY AND SUSTAINABLE AGRICULTURE

Deforestation and degradation from unsustainable land use accelerate climate change and threaten livelihoods and native species. We support several funds investing in innovative projects that protect nature and use land sustainably. For example, the **Althelia Climate Fund** finances projects that protect forests and foster sustainable agriculture. The fund enhances the carbon stock and the ecological quality of forests, while providing local communities with incentives to shift towards the sustainable and profitable use of their land. We also back the **Arbaro Fund**, which invests in reforestation and sustainable forest management, in addition to the Land Degradation Neutrality Fund, which supports projects for reversing land degradation worldwide.

Find out more about how our funds protect nature and livelihoods:
<https://bit.ly/3hat98f>

Watch the video on land restoration thanks to the Land Degradation Neutrality Fund:
<https://bit.ly/3ga5gfD>



WORLDWIDE: LAND DEGRADATION NEUTRALITY FUND (2018)

- EIB investment: €42 million
- The Land Degradation Neutrality Fund (LDNF) backs projects reversing land degradation, while promoting sustainable agricultural practices and social inclusion in Africa, Asia and Latin America.
- The first project financed by the LDNF supports four coffee cooperatives and the reforestation of degraded land as productive agroforestry systems in Peru.
- Benefits of the first project: reforestation of 9 000 hectares of degraded land. The project is expected to reduce CO₂ emissions by 1.3 tonnes and improve the livelihoods of 2 400 farmers.



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