



2018: Record number of EIB operations in Latin America

In 2018, the EIB stepped up its contribution to sustainable development and climate action in Latin America, providing EUR 639 million via 15 financing operations, which was the highest number of EIB operations structured in a year in the region.



The European Investment Bank (EIB) is the bank of the European Union. Founded in 1958 under the Treaty of Rome, it operates in the EU Member States and in more than 150 other countries. Across Latin America, the EIB supports investment projects that contribute to economic and social development in line with EU policy objectives and mandates, such as the EU Global Strategy, the External Lending Mandate and the 2030 development agenda.

The EIB started investing in Latin America in 1993. Since then, it has supported 117 projects with total financing of around EUR 8.4 billion in 14 countries.

EIB's impact in Latin America

The EU is Latin America's main development partner, its number one investor and its second-largest trade partner. As the EU bank, the EIB supports the EU's relationship with Latin America by financing projects that contribute to EU external policy objectives, in particular the development of economic and social infrastructure and climate change mitigation and adaptation.

The added value of EIB support stems from its favourable financing terms such as the long maturity of its loans, attractive interest rates and the capacity to mobilise resources for large projects. Also important is the support provided by the EIB in the preparation and implementation of the investment projects, which comes in the form of advice based on the EIB's pool of technical and sectoral expertise acquired in more than 150 countries, including EU Member States and EU partner countries, and project-targeted technical assistance.

The EIB supports investment projects in Latin America through:

- Lending: medium and long-term loans granted on attractive terms, and other financing products such as guarantees, loan substitutes or equity.
- Blending: the EIB partners with the European Commission (EC) in blending its loans with grants from the Latin America Investment Facility.
- Advising: the EIB can help with administrative and project management capacity to facilitate investment.

To enhance its support for sustainable investment in the region, the EIB collaborates with other international financial institutions, in particular the Inter-American Development Bank, the Development Bank of Latin America, the World Bank and the Central American Bank for Economic Integration. The EIB also cooperates with other international financial institutions such as the French Development Agency (AFD), the German Development Bank (KfW) and the Spanish Development Agency (AECID).

The EIB supports public and private sector projects either directly or indirectly, through local financial intermediaries. It works with diverse counterparts, such as ministries, regions, municipalities, corporates and banks. With respect to private sector-related investments, companies, regardless of their size, from micro-enterprises to large corporates, can be eligible for EIB lending.

Our priorities in Latin America

Between 1993 and 2018, the EIB granted 117 loans in Latin America worth EUR 8.4 billion. Our lending in the region follows three priorities: climate action, developing sustainable social and economic infrastructure and local private sector development.

Climate action

In 2018, the EIB continued to step up its support for climate action projects inside and outside the European Union. Climate change is one of the greatest global challenges of our time. As the largest multilateral provider of climate finance worldwide, we are committing at least 25% of our investments to climate change mitigation and adaptation, supporting low-carbon and climate-resilient growth. For investments in developing countries, this figure will rise to 35% by 2020. We are on track to provide USD 100 billion for climate-related projects in the five years from 2016 to 2020, as we help turn the ambitious Paris agreement into reality.

In 2018, the EIB exceeded its climate action target for the ninth consecutive year, providing EUR 16.2 billion to fight climate change globally. That is 30% of all EIB financing and above the

25% committed to climate change mitigation and adaptation. Our climate strategy defines our mission: to play a leading role in mobilising the finance needed to achieve the worldwide commitment to keep global warming below 2°C.

Climate change mitigation and adaptation is the EIB's main priority in Latin America, a region of incomparable biodiversity and natural resources. EIB-financed projects in Latin America focus on the environment, and especially on boosting renewable energy, energy efficiency and sustainable public transport schemes. Climate change adaptation-related projects involve upgrading existing infrastructure to be more resilient in the face of more volatile and unpredictable weather patterns, preparing it for direct and indirect impacts.

Reducing CO₂ emissions by boosting the use of public transport: new metro lines in Bogotá, Buenos Aires and Quito

The people of Quito will be getting a new metro line, the first in the city, enabling 450,000 people to move through the capital every day. The new 22.5 km-long metro line, with its 15 stations, will be a milestone in the history of the city. The new line will help to ease traffic congestion in Ecuador's capital and in its suburbs, improving the efficiency of public transport while reducing fuel consumption and greenhouse gas emissions. The EIB's contribution to this project amounts to EUR 240 million.



Construction of the metro in Quito

The EIB is also helping Buenos Aires to promote sustainable transport. In 2018, it provided EUR 91 million to finance investments aimed at improving the metro network in the Argentinian capital

through an ambitious modernisation programme. This involves refurbishing line D of the Buenos Aires metro, while improving environmental sustainability and optimising energy use.



3D model of the new elevated metro line in Bogotá

In Bogotá, the new 24 km-long elevated metro line will enter into service in 2026, improving mobility in the city while reducing air pollution. The EIB will provide a total of EUR 410 million to finance its construction and the new metro line will boost

economic growth by generating new business opportunities while contributing to job creation and making it easier for locals to travel around the city. This is the largest infrastructure project to be implemented in Colombia.

The Mexican sun: a great source of energy!

In Mexico, the EIB is financing the largest solar project ever built in the Americas. The EIB provided EUR 74 million to finance the construction of three new solar plants, located in the states of Guanajuato and Coahuila, with average annual energy production of 1.1 Gigawatt power (GWp). The project was selected in the first long-term renewable energy auction in Mexico and is contributing to the reduction of CO₂ emissions, while lowering wholesale electricity prices in the country. In addition, the EIB also supported the development of renewable energies in Mexico with an EUR 86 million credit line to NAFIN.



Villanueva solar plant located in the municipality of Viesca, Coahuila State



Pioneering global framework for sustainable ocean finance

The EIB is helping to develop the world's first global fund to finance a sustainable ocean economy, the Sustainable Ocean Fund, which will support the sustainable management of fisheries, aquaculture, the seafood supply chain and coastal development, mainly in Latin America, Africa and Asia.

In 2018, the EIB provided EUR 4 million to the fund to foster the implementation of projects in Latin America and, after having achieved its first close, the fund is currently assessing the first projects in Mexico and the Caribbean.

Developing social and economic infrastructure

The EIB works to support projects that have real, tangible development impacts in Latin America, financing the construction of new and essential infrastructures that benefits society as a whole. Water and sanitation facilities have a direct and positive impact on citizen's lives. Transport links such as rail and urban networks

bring people closer together, while increased resilience ensures that extreme weather conditions do not undermine the economy. Key information and communication technology infrastructure contributes to services across all sectors, from local authorities, healthcare and education through to connecting businesses.



Clean water distribution facility in Waldo Ballivián, Bolivia

Safe water for Bolivia

The EIB financed the construction of drinking water supply and wastewater treatment facilities in Bolivia that will benefit 200,000 people. The EUR 55 million loan provided by the EIB will improve access to drinking water in rural areas and will help to combat climate change. The project is expected to be completed in 2022, providing jobs for around 12,000 people during the construction phase. Once the project is up and running, it will continue to create job opportunities for locals. The final beneficiaries, the local communities, will be responsible for operating and maintaining the different facilities and managing the service to users. In total, the project is set to deliver up to 40,000 new water connections and 21,000 new wastewater connections, including treatment systems in and around the poorest areas of Bolivia.

New horizons for waste pickers in Jujuy, Argentina

The Government of Jujuy Province, in Argentina, is implementing the integrated solid urban waste management plan co-financed by the EU through an EIB loan in the amount of EUR 38 million and a EUR 11 million grant from the Latin America Investment Facility. Thanks to the EU support, a new bio-gas plant along with a collection and environmental centres are being built up. The project is also providing women working in Jujuy's landfill sites with the training needed to land a new job, helping them to improve their economic situation while reducing the possible risks faced when working in the rubbish dumps. These recuperadoras (female waste collectors) used to sort the 200,000 tonnes of waste reaching these open-air rubbish dumps with no selective treatment capacity.



Recuperadoras in Jujuy's new urban waste management facilities

Fostering education: new technical and technological institutes in Ecuador

The EIB is contributing to the reconstruction and recovery of the areas severely affected by the earthquake that hit Ecuador in 2016, helping to rebuild schools, repair water supply and sanitation facilities, and reactivate the local economy. Ecuador is also the first country in Latin America to receive EIB funds to finance education projects. The EIB provided EUR 70 million to build and fit out eight technical and technological institutes across the country to strengthen the dual professional training system, a

key element to support human capital development in Ecuador, meeting the needs of the labour market.

In 2018, the EIB signed two agreements aimed at enabling swift progress in the construction of the technical and technological institutes. One concerns a EUR 11.6 million grant provided by the European Union's Latin America Investment Facility, and deployed by the EIB, to build a technological institute in Portoviejo.



Technical and technological institute in Quito, Ecuador

Local private sector development

Small businesses are the lifeblood of any economy, and yet they often struggle to find finance. The EIB uses different instruments to support local private sector development. Credit lines to local financial intermediaries, such as commercial banks or local

development banks, help to build effective and resilient banking systems and underpin lending to SMEs. Direct loans benefit larger companies, while investments in environmental funds can support small businesses with a climate focus.

Supporting the investments of small companies in Argentina

The EIB is helping Argentinian businesses with a EUR 60 million loan granted to the Argentinian Republic to finance investment in small and medium-sized enterprises (SMEs) via the Bank of Investment and Foreign Trade (BICE), which manages the funds. The agreement signed in 2017, the first EIB loan to the Argen-

tinian public sector since 1997, is fostering the productivity of Argentinian SMEs, which are the main drivers of the national economy. Local SMEs are benefiting from the favourable borrowing conditions provided by the EIB in terms of maturities and interest rates.

EIB investments in Latin America in 2018

In 2018, the EIB stepped up its activities in Latin America, supporting 15 investment projects in the region, a record number of operations, with loans totalling EUR 639 million.

In 2018, EIB lending activity in the region primarily focused on climate action, continuing to support environmentally friendly projects outside the European Union. With climate change mitigation being one of the EIB's main priorities in Latin America, the Bank focused on boosting water supply and wastewater collection systems as well as clean mobility and renewable energy projects.

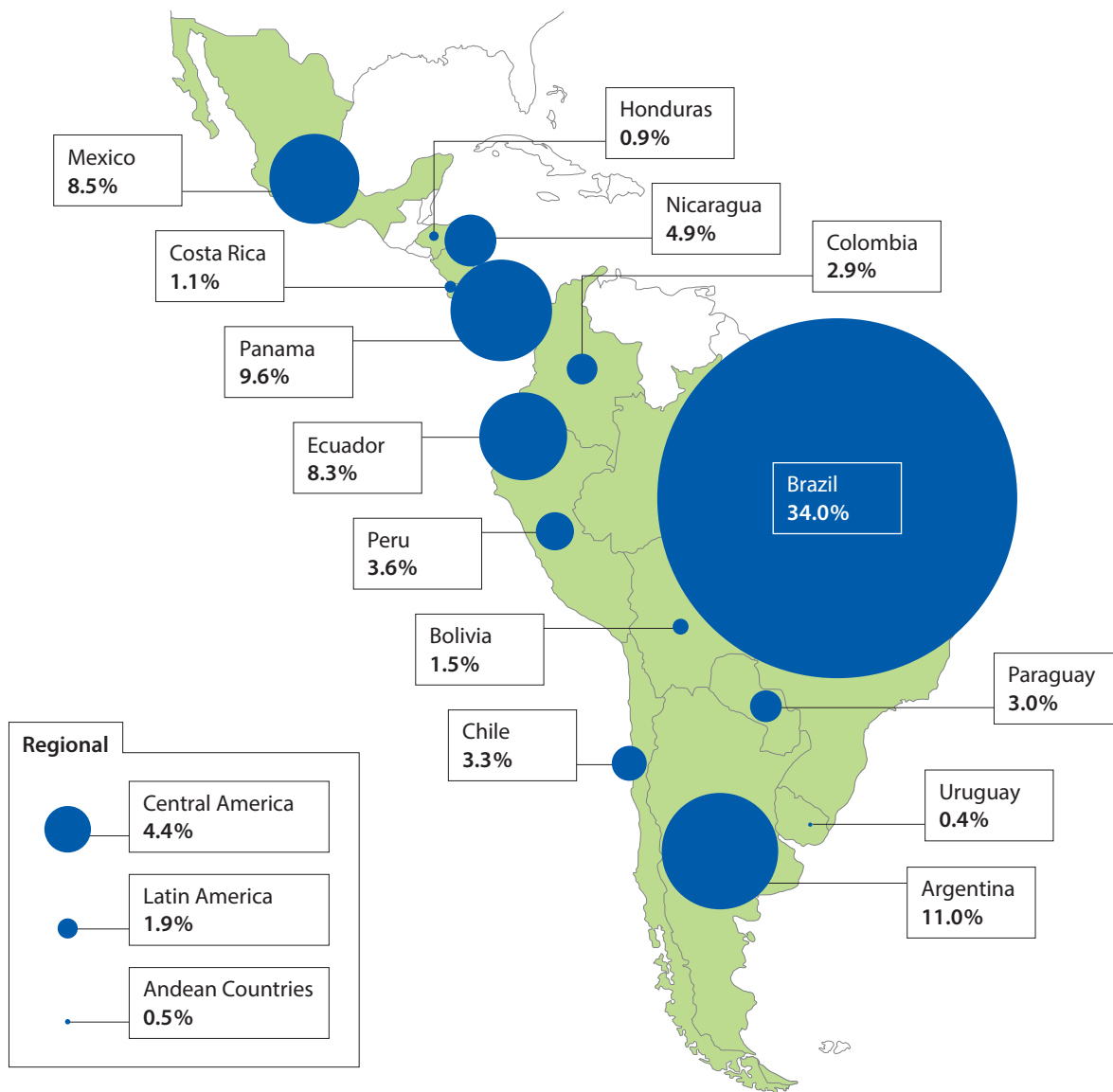
The EIB made available close to EUR 200 million to support sustainable infrastructure projects in Argentina, including the upgrading of the metro and investments in water and sanitation services in Buenos Aires, and a waste management programme in Jujuy province. In Bolivia, the EIB provided EUR 55 million to finance the provision of water and wastewater services in remote communities around the country that will benefit 200,000 people. Similar projects are being implemented in Nicaragua and Panama with the EIB's support. In Nicaragua, the EIB granted a EUR 14 million loan to continue

supporting the expansion and improvement of drinking water facilities as well as sanitation infrastructure in secondary cities of the country. In Panama, a EUR 43 million loan from the EIB is enabling the construction of a wastewater collection system, a conveyance system and a wastewater treatment plant to provide full sanitation services to the region of La Chorrera.

In Colombia, the EIB is joining forces with other international financial organisations to support the construction of a new metro line in Bogotá with EUR 410 million. Through a EUR 74 million loan in Mexico, the EIB is supporting the largest solar project in the Americas, aimed at reducing CO₂ emissions while lowering the wholesale electricity price in the country.

Furthermore, to strengthen its cooperation with Latin American counterparts and promoters, the EIB has recently established a regional representation office for Latin America in Bogotá, Colombia.

Geographical distribution of EIB lending in Latin America to date



EIB Activity in Latin America in 2018

ARGENTINA

- Financing integrated waste management programme in Jujuy for the collection, treatment and safe disposal of municipal solid waste. **Loan: EUR 38m**
- Financing water and sanitation in the metropolitan area of Buenos Aires by extending its sewer network and wastewater treatment plant. **Loan: EUR 70m**
- Financing the refurbishment of line D of Buenos Aires metro, including upgrades to the signaling system and power supply and improvements to 9 de Julio station. **Loan: EUR 91m**

BOLIVIA

- Financing the construction of water and wastewater services in remote communities in Bolivia that will benefit 200,000 people. The project includes delivering up to 40,000 new water connections and 21,000 new wastewater connections including treatment systems in and around the poorest areas of Bolivia. **Loan: EUR 55m**

BRAZIL

- Financing, through a framework loan, for climate action projects in the southern states of Brazil, including small-scale hydroelectric power plant projects as well as energy efficiency and mobility projects in urban areas. **Loan: EUR 80m**

COLOMBIA

- Financing the reorganisation and improvement of the public transport network in Bogotá, the capital city of Colombia. The project comprises a 24 km-long elevated metro line with 15 stations, a depot and 23 metro trains. **Loan: EUR 48m** (first tranche of a total EIB loan of EUR 410m)

MEXICO

- Financing the construction of three new solar plants, located in Guanajuato and Coahuila States, with average annual energy production of 1.1GWp. This is largest solar project ever built in the Americas. **Loan: EUR 74m**

NICARAGUA

- Supporting the improvement and expansion of the provision of drinking water and sanitation in secondary cities in Nicaragua, addressing the lack of water supply and sewerage services in 19 cities, representing more than 9% of the country's total population. **Loan: EUR 14m** (second tranche of a total EIB loan of EUR 73.2m)

PANAMA

- Financing the construction of a wastewater collection system, a conveyance system and a wastewater treatment plant aimed at providing full sanitation services to the sector of La Chorrera and other surrounding areas. **Loan: EUR 43m**

REGIONAL LATIN AMERICA

- Ecoenterprises Fund III: aims to invest in pro-biodiversity businesses that encourage sustainable use and conservation of natural resources, preserve and restore vulnerable ecosystems and biodiverse landscapes, mitigate climate risk and build resilience in local economies and communities in Central and South America. **Loan: EUR 17m**

REGIONAL LATIN AMERICA

- Sustainable Ocean Fund: fosters investments in scalable businesses in the real asset sector that build resilience in coastal ecosystems and create sustainable economic growth and livelihoods. The fund is building a blended portfolio of sustainable seafood, circular economy and conservation. Its investments will deliver substantial positive conservation impacts to the ocean and coastal habitats. **Loan: EUR 4m**

REGIONAL LATIN AMERICA

- Fonplata Regional Framework Loan: supports multi-sector projects targeting extreme poverty and fostering climate change resilience in the sub-region eligible for Fonplata financing, which comprises the River Plata Basin (i.e. part of Argentina, Bolivia, Brazil, Paraguay and Uruguay). **Loan: EUR 51m**

REGIONAL LATIN AMERICA

- Arbaro Fund: invests in sustainable forestry projects in Latin America and the Caribbean, in countries where biophysical growth conditions for forests are ideal. By establishing a renewable resource through the creation of sustainably managed and FSC-certified forest plantations, this fund provides significant mitigation and adaptation benefits in its target countries with the aim of sequestering 20 million tonnes of CO₂. **Loan: 8m**

REGIONAL LATIN AMERICA

- Financing sustainable investment in emerging markets through green bonds. The EIB is one of the largest investors in the "Amundi Planet – Emerging Green One" Fund, with a 7% share. **Loan: EUR 36m**

REGIONAL LATIN AMERICA

- DENHAM International Power Fund: invests in energy and renewable energy generation projects in Latin America. **Loan: EUR 10m**

EIB Flagship Projects in Latin America

Our mission

The EIB finances projects in Latin America that contribute to:

- The development of economic, environmental and social infrastructure.
- Private sector development, in particular support for small and medium-sized enterprises.
- Climate change mitigation and adaptation (e.g. renewable energy, energy efficiency, climate change-resilient infrastructure).

Mexico, Solar Plants

Credit lines to a local development bank for a 200 MW farm in the State of Coahuila and a 130 MW farm in the State of Zacatecas.

Loan Size
EUR million **74**

Nicaragua, Bus Rapid Transit Corridor

EIB loan
EUR million **124**

New dedicated bus lane, new bicycle lane and improved pedestrian areas in Managua, to benefit 80,000 users per day.

Brazil, Climate Action

EIB loan
EUR million **80**

Credit lines to a local development bank for small hydroelectric power plants and other renewable energy, energy efficiency and urban mobility projects.

Panama, Canal Expansion

Enable larger ships to cross the Central American isthmus and link ports in Asia, America and Europe.

Loan Size
EUR million **397**

Colombia, Bogotá Metro Line

The 24 km first metro line in Bogotá will be the largest infrastructure project in the country, carrying up to 72,000 passengers per hour.

Loan Size
EUR million **410**

Ecuador, Post-Earthquake Reconstruction

Rebuild schools, hospitals and roads and repair water and power supply facilities.

Loan Size
EUR million **159**

Peru, Enel Green Power

Wind farm and solar power plant with capacity of up to 312 MW.

Loan Size
EUR million **129**

Paraguay, Transmission and Distribution System Upgrade

Loan to Administración Nacional de Electricidad (ANDE) to upgrade and modernise the electricity transmission and distribution network in the metropolitan system.

Loan Size
EUR million **80**

Argentina, Bolivia, Brazil, Paraguay, Uruguay, Climate Action

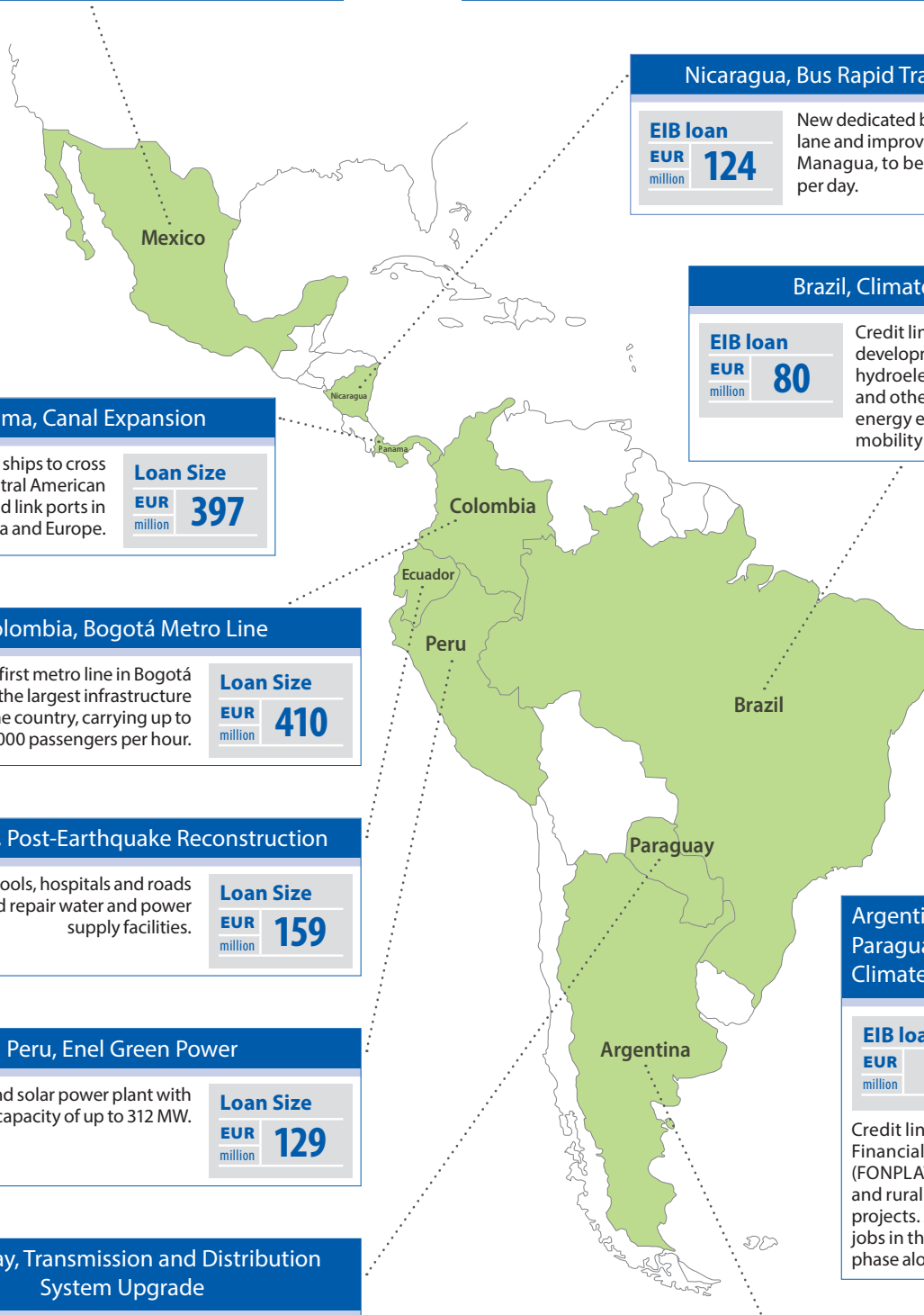
EIB loan
EUR million **51**

Credit lines to Plata Basin Financial Development Fund (FONPLATA) to back urban and rural development projects. More than 5,500 new jobs in the implementation phase alone.

Argentina, Integrated Waste Management Programme

EIB loan
EUR million **38**

Composting centre, biogas plant, collection and environmental centres, purchase of equipment, sorting and recycling of waste in Jujuy. Serving 800,000 citizens.



Delivering on EU external policy

Most financing operations in Latin America are carried out under the External Lending Mandate, which supports the EU policy objectives and provides for EIB financing of up to EUR 2.3 billion during the period 2014-2020. The EIB can also offer financing under the Climate Action and Environment Facility or the Strategic Projects Facility, amounting to a combined total of EUR 5 billion (global facilities, 2014-2020). This provides extra possibilities for the EIB to support particular energy and environmental projects of interest to the EU, including the internationalisation of European

companies through loans for foreign direct investments. The EIB also provides credit lines to SMEs in the EU for their export activities in Latin America.

The EIB partners with the European Commission in blending its loans with grants from the Latin America Investment Facility, so that investment projects can also receive additional support in the form of investment grants, risk-sharing or technical assistance, in addition to the EIB lending.

The Bank sustains the EU external policy objectives of:

- Delivering on the UN 2030 Agenda for Sustainable Development (Sustainable Development Goals)
- Supporting climate action and the goals of the Paris Accord (COP 21)
- Contributing to the implementation of the EU Global Strategy, the Consensus for Development and European Economic Diplomacy (EED)

EIB value proposal

The EIB is an AAA rated, policy-driven EU financial institution raising funds in capital markets to on-lend for eligible investments supporting EU policies and priorities. The EIB passes on the financial advantage it obtains through benefits such as attractive interest rates and long maturities to projects that score highly in terms of EU objectives and are consistent with the Bank's commitment to supporting sound, sustainable investments. The EIB's extensive experience in financing projects (it has been active in countries outside the EU since 1963), its in-house sector expertise and its in-

depth knowledge of European policies facilitate the identification of projects that match both national and EU priorities. The EIB's project appraisal covers technical, economic, financial, environmental and social aspects as well as credit risks, provides for the appropriate mitigants and conditionality and helps structure projects in line with EU standards. The EIB thus acts as a flag carrier for EU policies outside the EU, contributes to the dissemination of best practices and facilitates the participation of other financiers in EU priority projects.



For further information on the EIB, visit its website www.eib.org/ala

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