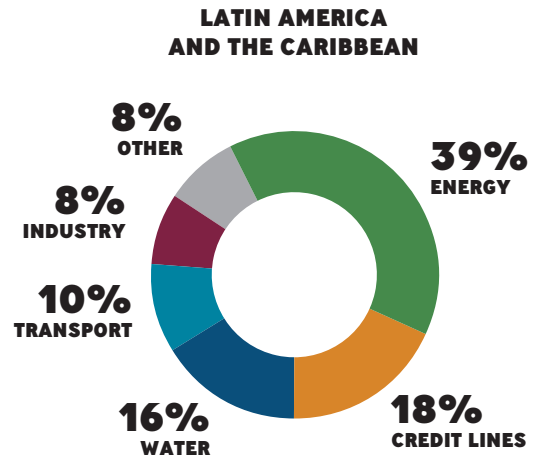


EIB activity in 2020

- Climate and COVID-19 finance
- Adaptation and flexibility to help tackle the COVID-19 crisis
- Team Europe collaboration to increase development finance



The European Investment Bank (EIB), the bank of the European Union, supported Latin America and the Caribbean with €516 million of financing for five projects in 2020, contributing to sustainable and inclusive development and to climate action. All EIB loans in the region in 2020 were provided for public sector borrowers, notably to national development banks and a number of new partners. This year, the focus of EIB activity in the region was to support climate action, coupled with a priority to address the economic and social consequences of the COVID-19 pandemic.

Team Europe, a global recovery package that combines resources from the European Union, Member States and the EIB, is supporting the most vulnerable countries and people most at risk globally. As part of Team Europe, the EIB's response to the pandemic for Latin America and the Caribbean has been distributed as follows: €350 million in new signatures, €278 million in accelerated disbursements and €145 million allowing adapted eligibility for projects in the region.



A PARTNER FOR DEVELOPMENT

The EIB finances projects that help achieve the EU's development and foreign policy goals, particularly the development of economic and social infrastructure, and climate change mitigation and adaptation. The EIB supports public and private sector investment projects in Latin America and the Caribbean via:

- Lending: medium and long-term loans granted on attractive terms, and other financing products such as guarantees, loan substitutes or equity.
- Grants: the EIB partners with the European Commission to offer grants from the Latin America Investment Facility and Caribbean Investment Facility.
- Advising: EIB experts support project development and assists public authorities to improve access to finance and facilitate investment.

The EIB collaborates with other international financial institutions, in particular the Caribbean Development Bank (CDB), the Central American Bank for Economic Integration (CABEI), the Development Bank of Latin America (CAF), the Inter-American Development Bank (IDB) and the World Bank. The EIB began investing in Latin America in 1993. Since then, it has financed 140 projects in 14 countries in the region, providing over €10.8 billion. The EIB has been working in the Caribbean since 1978, granting almost €2 billion in financing for 220 operations.



LATIN AMERICA AND THE CARIBBEAN



RESPONSE TO THE COVID-19 CRISIS

Since the outbreak of the COVID-19 pandemic in Europe, the EIB has moved quickly to make emergency financing available to European businesses. It has also focused on supporting medical research and the development of a cure for the disease. As a result, at least one vaccine – BioNtech – was prepared with EIB backing. To respond to the COVID-19 crisis in Latin America, out of the record amount of €462 million disbursed by the EIB in the region, €278 million was accelerated disbursements linked to the pandemic. The COVID-19 crisis has further highlighted the urgent need to support small and medium-sized companies (SMEs), the hardest hit by the crisis. The EIB is partnering with Peru's development bank COFIDE to support SMEs and mid-caps affected by the economic consequences of the virus outbreak. Around 30% of a \$100 million loan to COFIDE will help companies cope with the economic and social consequences of the pandemic. A \$150 million loan to Nacional Financiera (NAFIN), one of Mexico's leading development banks, will help to address the working capital and investment needs of Mexican microenterprises affected by the COVID-19 crisis.



Climate action

Mitigation and adaptation

In 2020, the EIB Group adopted a roadmap to strengthen its role as the climate bank of the European Union and to support projects contributing to climate change adaptation and mitigation (for example, renewable energy, energy efficiency, water and sanitation, and climate-resilient infrastructure). In the Canton of Portoviejo in Ecuador, a \$60 million EIB loan will help to finance the construction and rehabilitation of water supply, wastewater and storm water networks in urban and rural areas in Manabí.

The operation will be co-financed by the Inter-American Development Bank (IADB), Spain's Fund for the Promotion of Development (FONPRODE) managed by the Spanish Agency for International Development and Cooperation (AECID), the European Union's Latin America Investment Facility (LAIF) and the Caribbean Investment Facility (CIF). The investments will enable Portoaguas, the utility that serves the canton, to provide 90 000 inhabitants with safe drinking water, and around 22 500 with wastewater services. Across the region, we support climate action by financing several projects aimed at increasing the generation of renewable energy, energy efficiency and at improving the quality, efficiency and sustainability of water and wastewater collection and treatment facilities in the region. Over three-quarters of EIB lending in Latin America and the Caribbean in recent years has targeted climate change mitigation and adaptation projects, from water and sanitation to renewable energy.

Support for climate in the Caribbean

Our priorities in the Caribbean are climate action and environmental sustainability, comprising both climate change mitigation and adaptation, in addition to private sector development, including the financial sector and micro, small and medium-sized enterprises. In the region, almost all current financing is provided under the Cotonou Agreement, a treaty between the EU Member States and 78 countries in Africa, the Caribbean and the Pacific (ACP). Its aim is to alleviate and eradicate poverty by contributing to sustainable development and facilitating the gradual integration of the ACP countries into the global economy. In Barbados, the EIB provided a \$12 million loan to the Ministry of Finance enabling the Barbados Water Authority (BWA) to rehabilitate the island's drinking water distribution network by improving efficiency, service quality and resilience to mitigate the adverse effects of climate change. The investments will also bring improvements to the deteriorated wastewater treatment facilities in this water-scarce country. The new investment will better protect the water supply in Barbados from climate change and more frequent extreme weather. In concrete terms, the EIB investment will finance the replacement of about 16 km of aged pipes and the repair of water reservoirs and pumping stations. This will contribute to preserving the limited water sources on the island.



FEMALE ENTREPRENEURSHIP

Supporting micro-enterprises hurt by COVID-19

The EIB supports micro, small and medium-sized enterprises (MSMEs) in Latin America and the Caribbean with various financial instruments deployed via partnership agreements with intermediaries, mainly development banks. The aim is to support the private sector and foster secure and efficient banking systems providing smaller companies with access to credit, which is vital for putting their investment plans into practice. Moreover, MSMEs sustain the highest proportion of employment in Latin America and are the most vulnerable to economic shocks.

In 2020, the EIB joined forces with development banks in Mexico (NAFIN) and Brazil (Banco do Nordeste do Brasil, or BNB) to support microenterprises impacted by COVID-19. The loan to BNB supports women empowerment in business and contributes to alleviating



LATIN AMERICA AND THE CARIBBEAN



poverty. The €200 million loan to BNB will help address the working capital and investment needs of Brazilian micro-enterprises affected by the COVID-19 breakout in the northeast area of Brazil, targeting the most vulnerable and very low income borrowers in the region. BNB will provide short-term loans below €1 000 via its Crediamigo programme to micro-entrepreneurs helping them to modernise and innovate, predominantly in urban areas, with a particular focus on finance for female-led businesses.

This operation follows the 2X challenge criteria adopted by the Bank in line with the EIB Group Strategy on Gender Equality and Women's Economic Empowerment. The EIB has also provided loans for two microfinance providers in the Dominican Republic with Bank Ademi and Bank Adopem, which both follow the 2X challenge criteria, to support women borrowers across the country.





ACHIEVEMENTS IN 2020

Total EIB Group financing
€76.8bn

**Number of jobs
sustained**
4.2m

Green financing
40%

**Population with safer
drinking water**
29.6m

COVID-19 financing
€25.46bn

**Population with
improved sanitation**
15.5m

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