



**European  
Investment  
Bank**

*The EU bank*

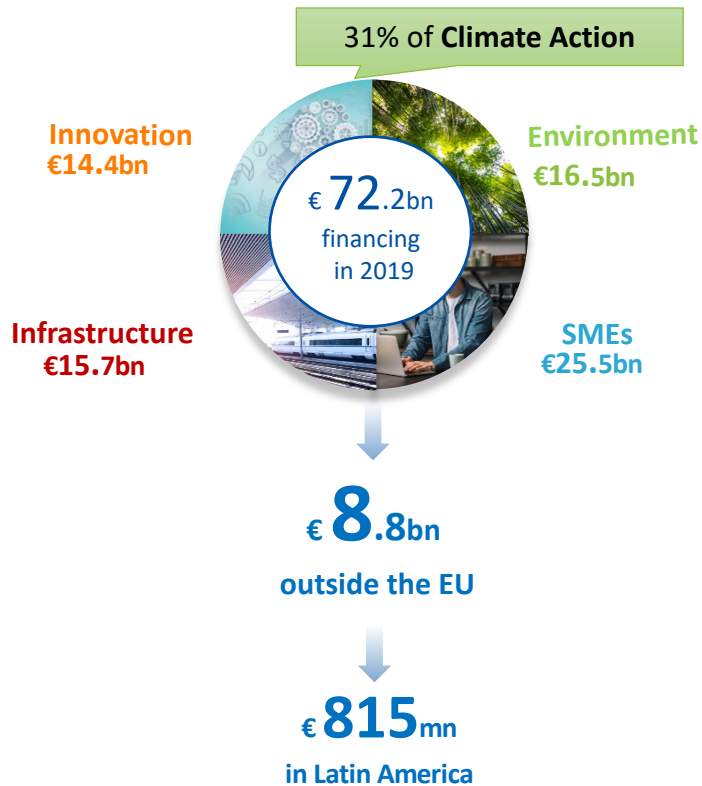
## **EIB activities in Brazil and Latin America**

**FINANCING DEVELOPMENT FOR JUST TRANSITION**

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Loan Officer for Brazil  
EIB

# EIB at a glance



## Largest multilateral lender and borrower in the world

- | We raise our funds on the international markets – AAA rating
- | We pass on favourable borrowing conditions to clients



## In 60 years, over €1.2 trillion invested

- | More than 12,000 projects in over 160 countries
- | Crowding-in bank: €3 trillion overall investment mobilised



## HQ in Luxembourg - presence around the world

- | Around 3,400 professionals
- | 50 offices around the world



## Product catalyse investment

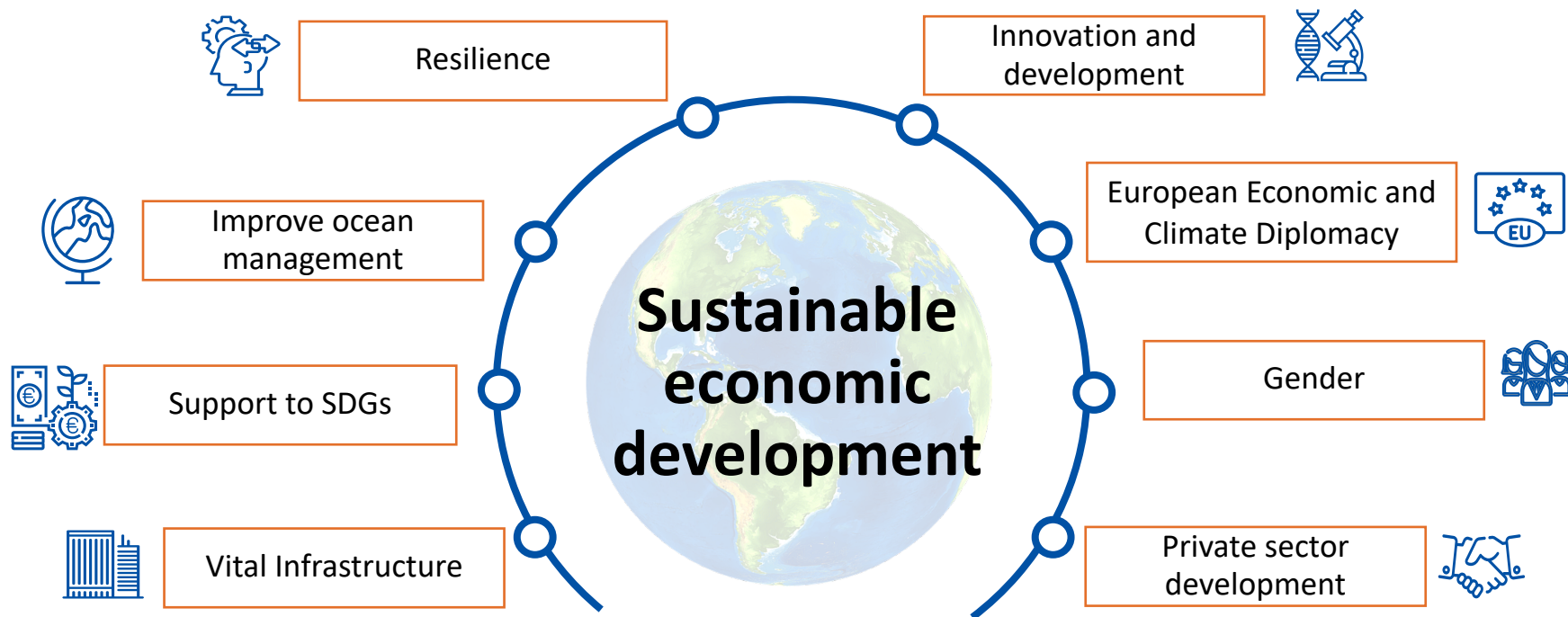
- | Lending, blending and advisory to tailor the needs of projects
- | Leading provider of climate finance → new Energy Lending Policy!

# EIB support benefits

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- | EIB operates on a not-for-profit basis. Benefits of low cost of funding passed on to clients:
  - ▶ Attractive interest rates
  - ▶ Long maturities
  - ▶ Large amounts
  - ▶ Catalyst for participation of other partners (EIB finances up to 50% of project costs)
  
- | Projects financed by the Bank must be:
  - ▶ Economically justified with and an acceptable economic return
  - ▶ Technically viable
  - ▶ Financially self-supporting
  - ▶ Environmentally sound
  
- | EIB supports public and private sector projects, either directly or through local/regional intermediaries;
- | All projects financed by the Bank are appraised by a multi-disciplinary team;
- | Appropriate procurement procedures are required (International Competitive Bidding when possible – provides for competitive and transparent procurement);
- | Technical expertise/standards.

# EIB priorities outside the EU



Climate Action  
The Climate Bank



# EIB operations in Latin America

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- | In **Latin America**, since 1993, the EIB established a presence that is both material and meaningful for the EU. A Framework Agreement (FA-an international treaty) is required for EIB to lend in a Latin American country.
- | EIB has supported 136 projects, with a signed total of EUR 10.2bn in 14 countries (Brazil-41.8%; Argentina-9.6%; Panama-7.8%; and México and Ecuador-9%);
- | Moreover, regional credit lines in Central America and the Andean countries enabling the Bank to cover other countries in the region;
- | ELM granted since 2014 an EU guarantee that allowed the EIB to invest more than EUR2.4bn in riskier projects to support the bank's high-level objectives in the region;
- | In 2019, the EIB has signed 9 operations in Latam, with a signed total of EUR 817mn.

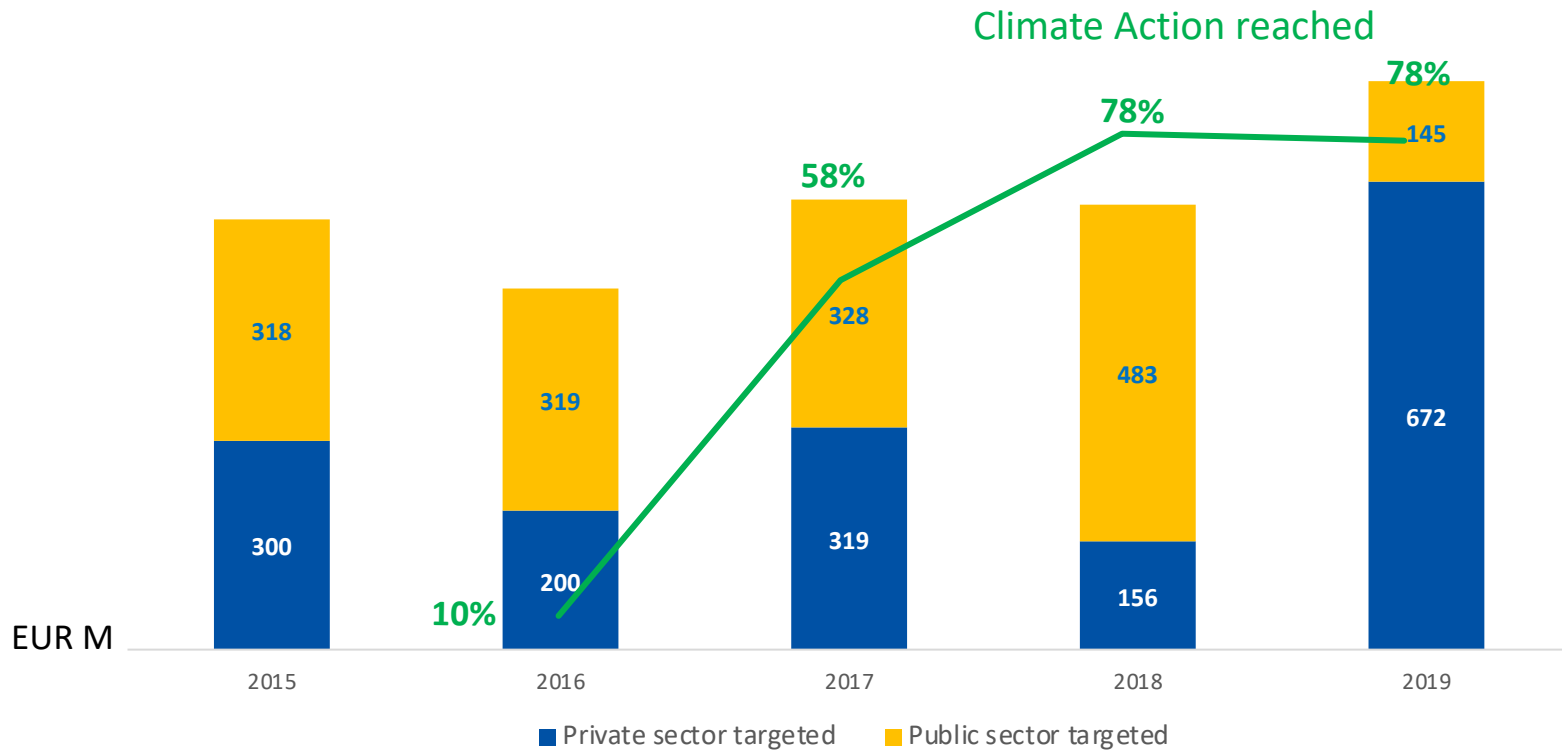
# Supporting facilities for EIB operations in Latin America

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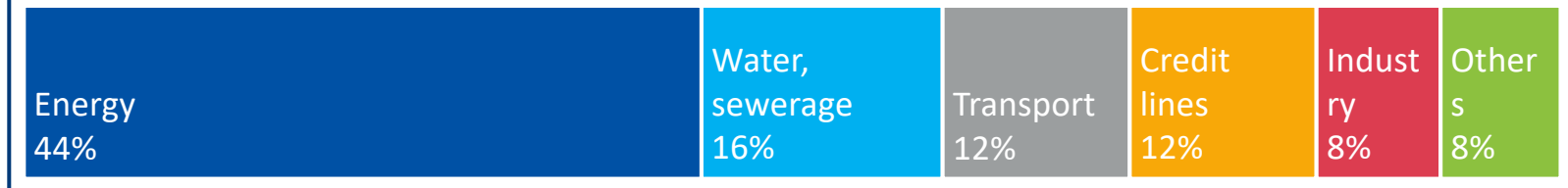
| **LAIF** is a blending facility, managed mainly by the EIB, which combines EU grants with other public and private sector resources in order to leverage additional non-grant financing, and support investments to the private sector that aims at reducing the social and economic inequalities. In 2019, a €11mn technical assistance grant under LAIF has been provided to support education projects in Ecuador, the largest amount under this Programme in the region.

| **FELICITY** is a facility that provides advisory services and capacity building tailored to the needs of municipalities and financial intermediaries aimed to invest in sustainable infrastructure projects that reduce greenhouse gas emissions in Brazil, Indonesia, China and Mexico. It is funded by the German Intr. Climate Initiative, and implemented by the EIB and the GIZ. The BRDE loan in 2018 received project preparation support from FELICITY.

# EIB investments in Latin America

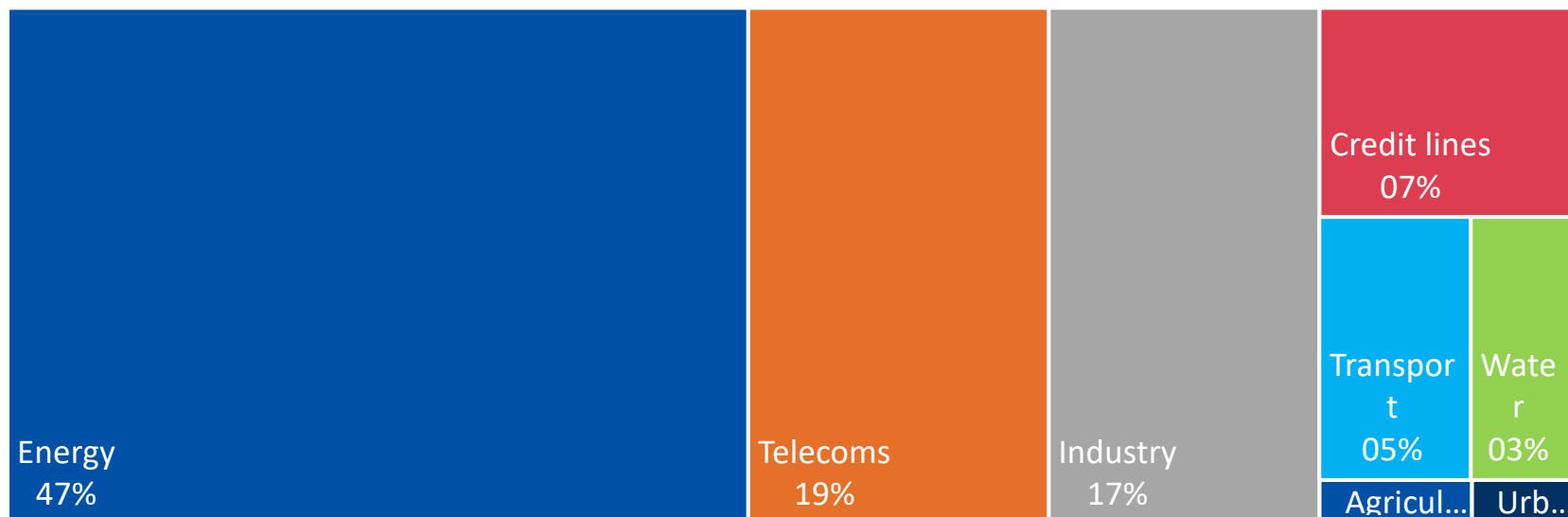


## Sectorial distribution of EIB lending in Latin America (2015-2019)



# EIB operations in Brazil

- | **Framework Agreement** is required for EIB to lend in a country (Brazil: 1994).
- | The EIB has signed **41 operations** in Brazil, with a total contract amount of **EUR 4,287mn**, representing over 40% of Latam portfolio
- | 75% of the operations signed were private sector, and the remaining 25% were public sector;
- | In the last 2 years, the EIB signed 3 public sector operations (sub-sovereign) and 2 private sector (renewables)





# Examples of EIB operations in Brazil and Latin America

# EIB Projects in Brazil

## **BRAZIL: BRDE Climate Action Framework Loan (2018)**

- | Total budget: €135mn
- | EIB Loan: €80m
- | Framework Loan to part-finance a series of climate action projects in the southern states of Brazil , including small-scale renewable projects as well as energy efficiency and mobility projects in urban areas, which could benefit from technical assistance under the FELICITY (Financing Energy for Low-Carbon Investment - Cities Advisory Facility) Initiative.
- | The project contributes to UN's sustainable development goals SDG8 (promote inclusive and sustainable economic growth), SDG13 (take urgent action to combat climate change and its impacts), among others.
- | Climate Action Indicator: 100%.

## **BRAZIL: BDMG Climate Action FL (2019)**

- | Total budget: €135mn
- | EIB Loan : €100mn
- | Framework Loan to part-finance a series of renewable energy projects and increase accessibility in the state of Minas Gerais.
- | Climate Action Indicator: 100%.



# EIB Projects in Brazil

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## **BRASIL: COPASA Water and Sanitation Programme (2019)**

- | Total budget: €291mn
- | EIB Loan : €145mn
- | Framework Loan to the utility water company in the state of Minas Gerais, COPASA, to provide sanitation services to unserved customers, provision of additional water connections and climate resilience investment components.
- | Climate Action Indicator: 75%.

## **BRAZIL: Neoenergia Climate Action FL (2019)**

- | Total budget: €500mn
- | EIB Loan: €250mn
- | A Framework Loan extended to Neoenergia, one of the largest integrated utility groups in the country, to finance the construction of 15 small wind parks in Brazil promoted by the above mentioned borrower.
- | Benefits: renewable energy generation, supporting development, construction and operation new infrastructure and interconnection to the grid.
- | Climate Action Indicator: 100%.

# EIB Projects in Brazil

## BRAZIL: Latam Sustainable Power Generation FL (2019)

- | Total budget: €700mn
- | EIB Loan: €150mn
- | A Framework Loan to support the development of renewable energy projects in Brazil, promoted by Energias De Portugal Renovaveis.
- | The renewable energy projects would positively impact the domestic economies through job creation and fuel imports bills reductions while also improving energy security and reducing energy prices. The operation contributes to the addition of clean, renewable energy generation in Brazil and Mexico pursuant to the UN Sustainable Development Goals (SDGs) of ensuring access to affordable, reliable, sustainable and modern energy for all (SDG 7) and taking urgent action to combat climate change and its impacts (SDG 13).
- | Climate Action Indicator: 100%.



# EIB Projects in Latin America

## **BOLIVIA: Water and Sanitation Project (2018)**

- | Total budget: \$130mn
- | EIB Loan: \$63.5mn
  - Co-financers: CAF (\$66.5mn)
- | Project: construction of water and wastewater services in remote communities of Bolivia.
- | Benefits/SDG:
  - The project would deliver up to 40,000 new water connections and 21,000 new wastewater connections including treatment systems;
  - Material developmental benefits and will contribute to the achievement of SDG6 (water and sanitation for all), SDG13 (Climate Action) as well as SDG 1 (end poverty in all its forms everywhere) and SDG 3 (ensure healthy lives and promote well-being for all at all ages).

## **COLOMBIA: Metro de Bogota (2018)**

- | Total budget: €3.7bn
- | EIB Loan: €400M
  - Co-financers: IADB (€520mn), WB (€520mn) and others (€2.2bn)
- | Project: aims at the reorganisation and improvement of the public transport network in Bogotá. The project comprises a 24km long elevated metro line with 15 stations, a depot and 23 metro trains.  
European companies made a significant contribution in the preparation of the project and are potential participants for the implementation of this flagship project.
- | Benefits: Reduction of CO2 emissions by the use a clean public transport modal and reduction of travel time in Bogota.

# EIB Projects in Latin America with LAIF support

## ARGENTINA: Integrated Waste Management in Jujuy province (2018)

- | Total budget: \$120mn
- | EIB Loan: \$45mn
  - Co-financers: IADB (\$14.3mn) and Jujuy Province (\$51.3mn)
- | Project: implementation of an integrated waste management system for the collection, treatment and safe disposal of municipal solid waste generated within the province of Jujuy – Argentina.
- | LAIF support: (i) Technical Assistance (€3mn) for preparation, implementation and monitoring of the Project and capacity building of the Promoter; (ii) Investment Grant (€8mn) to close the financing gap of the project costs.
- | Benefit/SDG: substantially reducing waste generation through prevention, reduction, recycling, and reuse; reducing the deaths and illnesses from hazardous chemicals and air, water, and soil pollution and contamination.

## REGIONAL: Fonplata Regional Framework Loan

- | Total budget: €102.3mn
- | EIB Loan: €50mn
- | Project: supporting multi-sector projects targeting extreme poverty and 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).
- | LAIF support: Technical Assistance grant (€2.4mn) to upgrade Fonplata's environmental and social standards and support to final beneficiaries, i.e. municipalities to apply E&S standards and climate resilience considerations.
- | Benefits/SDG: increased climate resilience and reduced poverty.



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**Useful Links:**

**EIB activities in Latin America:** <https://www.eib.org/en/projects/regions/ala/index.htm>

**Clean Ocean initiative:** <https://www.eib.org/en/publications/the-clean-ocean-initiative>

**EIB Energy lending Policy:** <https://www.eib.org/en/publications/eib-energy-lending-policy>

**LAIF:** <https://www.eulaif.eu/>

**FELICITY:** <https://www.eib.org/en/products/advisory-services/felicity.htm>

**External Lending Mandate - legislation:** <https://op.europa.eu/en/publication-detail/-/publication/058a1996-0bee-4600-8d6a-60f7a2aa7448/language-en>

**Obrigada!**

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