

**Annual Press Conference 2008****Briefing Note No 12****The Bank promoting European objectives**

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**Partner countries in Asia and Latin America**EIB lends EUR 925m in Asia and Latin AmericaPolicy background

EIB lending in Asia and Latin America (ALA) is governed by European Union mandates. Under previous mandates, the Bank was authorised to lend up to EUR 4.4bn. The first mandate dates back to 1993 and the last mandate of EUR 2.48bn covered the period 1 February 2000 to 31 January 2007.

Since it began its operations in the ALA countries in 1993, the EIB has signed 100 projects totalling EUR 5.7bn in 23 countries. Of this amount, 52% has been allocated to projects in Latin America and 48% to projects in Asia. The funds have been utilised to finance productive investment of mutual interest to the EU and the country where the project is located in Asian and Latin American partner countries, in line with European Union cooperation policy objectives.

The new ALA mandate

Under its new mandate covering the period 2007-2013, the EIB can lend up to EUR 3.8bn for operations in ALA partner countries, with a guarantee from the European Union. This represents a substantial increase of 53% compared to the previous mandate for the period 2000-2007. The mandate has been subdivided into indicative ceilings of EUR 2.8bn for Latin America and EUR 1.0bn for Asia.

The Bank's activities in ALA complement the EU cooperation strategy with the regions. In sector terms, the lending objectives for Asia and Latin America have been broadened. EIB lending will target environmental protection, including climate change mitigation, and projects that contribute to the energy security of the EU, and will continue to support the EU presence through foreign direct investment, transfer of technology and know-how.

New developments

The Bank's Board of Governors (the EU's Economy and Finance Ministers), endorsed in June 2007 a number of measures to reinforce the EIB's contribution to EU renewable energy and energy efficiency, including a new multiannual EUR 3bn facility from own resources for energy sustainability and security of supply lending in Neighbourhood Countries, the ACP countries, South Africa and ALA until end 2013.

The facility will be used essentially when the Bank does not need the support of the EC guarantee to mitigate sovereign or political risk to protect its own credit standing (i.e. in investment-grade countries or when appropriate security can be provided). Conversely, the resources under the external lending mandate would be used when the support of the Community guarantee is needed to mitigate sovereign or political risks (mostly in lower-rated countries) or to support projects in other sectors.

Activity in 2007

In 2007, EIB lending for projects located in Asia and Latin America totalled EUR 925m, of which EUR 365m for four projects in Latin America (Brazil, Panama, Peru and Uruguay) and EUR 560m for two projects in Asia (China and the Philippines).

In Latin America for example, the Bank signed a USD 50m loan for the expansion of the container terminal of Montevideo (Uruguay).

In Asia, the EIB provided a EUR 500m loan to China for a large-scale multi-investment scheme designed to support investment projects in the energy and industrial sectors that will help to prevent or reduce greenhouse gases and other polluting emissions.

This was the first loan to be provided by the EIB under the EUR 3bn Energy Sustainability and Security of Supply Facility authorised in June 2007 by the Governors of the Bank to enhance EU action addressing climate change and security of energy supplies.

*For further information on the EIB, visit its website [www.eib.org](http://www.eib.org).*

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