



Partner Countries in Asia and Latin America (ALA)

In 2008, the EIB lent EUR 469m in Asia and Latin America, while lending in 2007 amounted to EUR 925m.

The current ALA mandate

EIB lending in Asia and Latin America is governed by mandates of the European Union (EU). Under the current ALA 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 2000-2006. 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 as compared to previous mandates. 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's presence through foreign direct investment and the transfer of technology and know-how.

Activity in 2008

In 2008, EIB lending for projects located in Asia and Latin America totalled EUR 469m, of which EUR 319m for three projects in Latin America (Brazil, Mexico and Paraguay) and EUR 150m for one project in Asia (India).

In Latin America, the Bank signed:

- A EUR 200m loan for the expansion and upgrading of a digital telecoms network in Brazil. The project will imply a transfer of technological know-how from a European company (Telecom Italia Spa) to Latin America.
- A EUR 69m loan for the expansion of a GSM network in Paraguay involving a subsidiary of Luxembourg-based Millicom, and supporting the borrower's decision to migrate from analogue to GSM technology and to increase population coverage.

These two projects will contribute to the economic development of Brazil and Paraguay, as efficient communication plays a key role in enabling the development of economic and commercial activities.

- A EUR 50m loan will part-finance (through Bancomext) small and medium-scale environmental infrastructure schemes implemented by private and public operators in Mexico. The loan is consistent with the EU policy and strategy on environmental sustainability, in particular climate change mitigation. EU policy calls for the identification of new tools to strengthen developing countries' participation in global efforts to address climate change. Additionally, a large portion of the technology for this type of project is expected to come from the EU, thus providing an instrument to finance transfers of technology and know-how from the EU to Mexico, another of the mandate's lending objectives.

In Asia, the EIB provided a EUR 150m loan to Exim Bank of India for financing investments contributing either (1) to climate change mitigation via renewable energy and energy efficiency projects, or (2) to increasing the EU's presence in India, through direct investment or transfers of technology and know-how from Europe.

Lending in 2007 amounted to EUR 925m, a figure to a large extent due to the signature of a EUR 500m framework loan to China designed to support investment projects in the energy and industrial sectors helping to prevent or reduce greenhouse gases and other polluting emissions. It should be noted that the first allocations under this framework loan, concerning two forestation programmes and the construction of four wind farms, were approved in 2008.

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

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