

LAIF has co-financed one bilateral project, which was completed in 2017; one project, which was recently approved by the Board to start; and several actions, which are part of five multi-country projects.

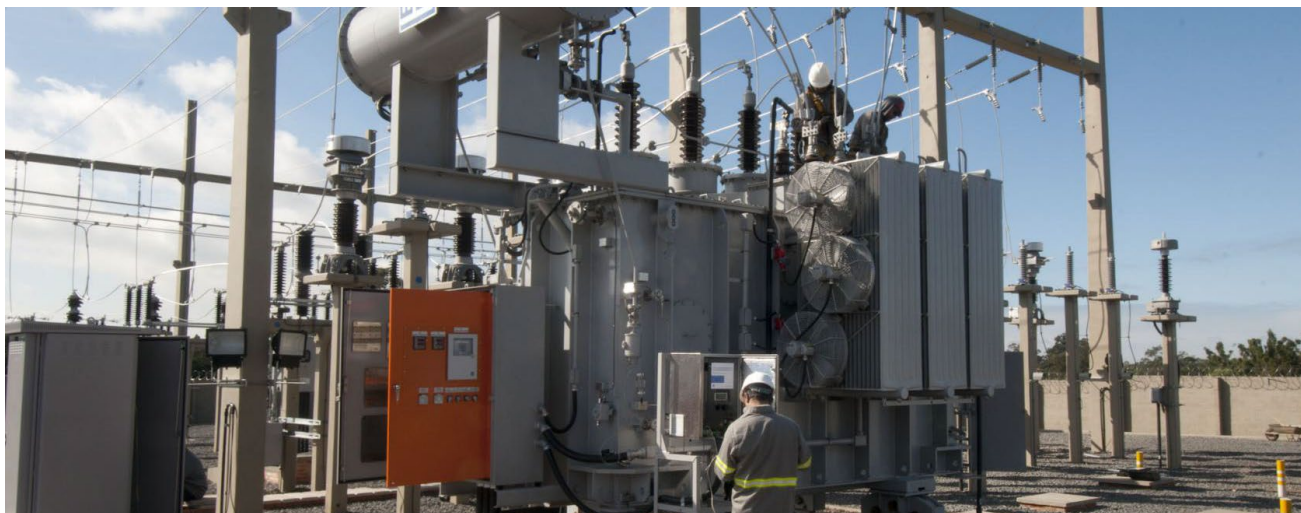
► LIST OF BILATERAL PROJECTS

#	Project title	Sector	Total €	LAIF €
1	Improving service delivery and investment planning in the power sector	Sustainable energy	170,000,000	1,650,000
2	Basic Sanitation Programme for Rural Communities in the state of CEARA: Adaptation to Climate Change	Water supply & sanitation	69,500,000	7,340,000
Total			239,500,000	8,990,000

► LIST OF MULTI-LATERAL PROJECTS

#	Project title	Specific activities	Sector	Total €	LAIF €
1	Climate Change Programme in Latin America	Actions to achieve energy integration within Latin American countries (Mercosur).	General environmental protection	303,000,000	3,000,000
2	Sustainable Transport Networks in Latin America	Pre-feasibility study bus rapid transport corridor in Fortaleza.	Transport	403,000,000	3,000,000
3	Water and Wastewater Investment programme	Study for the Water Supply in selected municipalities of Cuenca (province of Azuay, Ecuador) with the local partner ETAPA.	Water supply & sanitation	196,000,000	4,160,000
4	Sustainable Cities and Climate Change	Realization of the prefeasibility study of the Jugunlussu urban area.	Urban development	104,870,000	4,368,000
5	Technical Assistance to FONPLATA Regional Framework Loan	Integrated development program of Corumbá.	Rural development	102,390,000	2,390,000
Total				1,109,260,000	16,918,000

PROJECT: Improving service delivery and investment planning in the power sector



LEAD INSTITUTION:

AFD

PARTNERS:

IDB

EU-LAIF

TOTAL COST:

€ 170 000 000

LAIF CONTRIBUTION:

€ 1 650 000

TYPES OF SUPPORT:

Technical Assistance

DURATION PERIOD:

Sep 2013 – Oct 2017

OBJECTIVE:

The project aimed to modernize and extend the high and medium voltage network of the Power Distribution Company of Rio Grande do Sul (CEEE-D) in order to provide a quality and reliable power distribution service and to improve the managerial capacities of CEEE-D through the upgrading of their information, financial and control systems.

The project had 5 components: 1. Investments in the high voltage power distribution system; 2. Renewal of high voltage distribution equipment and modernization of the control system; 3. Upgrade of the information and control system; 4. TA for the implementation of the Enterprise Resource Planning and of the New Commercial Management System; 5. Enhanced financial steering of investments.

RESULTS:

- Average reduction in the equivalent duration of interruptions (hours/year) in the Metropolitan, Northern and Southern areas of Rio Grande do Sul: 19.2%
- Average reduction in the equivalent duration of interruptions (hours/year) for CEEE-D: 18.0%
- Average reduction in interruption frequency (number per year and consumer) in the Metropolitan, Northern and Southern areas of Rio Grande do Sul: 31.4%
- Average reduction in interruption frequency (number per year and consumer) for CEEE-D: 31.9%
- Reduction in substation utilization factor in the Metropolitan area: 18.6%
- Reduction in losses (with respect to power injections in CEEE-D network): 7.2%
- Reduction in technical losses: 19.7%
- Reduction in power sales per year (GWh): 6.7%
- Increase in commercial losses: 1.15%

PROJECT: **Basic Sanitation Programme for Rural Communities in the state of CEARA:
Adaptation to Climate Change**

LEAD INSTITUTION:

AECID

PARTNERS:

The World Bank
EU-LAIF

TOTAL COST:

€ 69 500 000

LAIF CONTRIBUTION:

€ 7 000 000

TYPES OF SUPPORT:

Technical Assistance
Investment Grant

DURATION PERIOD:

70 months

CURRENT PROGRESS:

Awaiting Contract

OBJECTIVE:

This program will contribute to the achievement of the Brazilian goal of universalization of basic water and sanitation services and to socially-inclusive development in the rural areas of one of the poorest states of Brazil, the State of Ceará. Ceará has an estimated population of 9.0 million, 4% of Brazil's total population, and shares only 2% of national GDP. Ceará is located in a semi-arid region where high average temperatures, low precipitation and recurrent droughts are characteristic, and where water and sanitation infrastructure is insufficient. Only one third of the households in rural areas have access to safe and piped drinking water.

The program's overall objective is to strengthen the resilience of the rural population towards water scarcity, and improve access to drinking water, sanitation and sewage treatment. For this, the program will strengthen the capacities of the SISARs (the local operating companies – Integrated Rural Sanitation Systems) and community associations to sustainably operate and maintain the state's water and sanitation systems and promote responsible use of water.

SPECIFIC ACTIVITIES:

- Construction and rehabilitation of 92 water systems.
- Reduction in, and monitoring of water losses in networks.
- Implementation of incentives for the responsible use of water.
- Protection of surface and groundwater sources through wastewater treatment.
- Capacity building and organisational development for the SISARs to improve the sustainable operation and maintenance of water and sanitation systems.
- Acquisition of infrastructure and equipment to improve the adaptation capacities of the SISARs.

EXPECTED RESULTS:

- Rehabilitation of 80 water supply pipe networks and 12 sanitation systems.
- Improvement of water and wastewater treatment capacity.
- 32,500 people to benefit from safe drinking water (access to at least 70 l/d/c).
- 5,000 people to benefit from improved sanitation services.

PROJECT:

Climate Change Programme in Latin America

COUNTRIES:

Argentina, Bolivia, Brazil,
Chile, Colombia, Ecuador,
Mexico, Paraguay, Peru

LEAD INSTITUTION:

KfW

PARTNERS:

CAF

EU-LAIF

TOTAL COST:

€ 303 000 000

LAIF CONTRIBUTION:

€ 3 000 000

TYPES OF SUPPORT:

Technical Assistance

DURATION PERIOD:

Mar 2011 – Mar 2020

SPECIFIC ACTIVITIES IN THE COUNTRY:

- Actions to achieve energy integration within Latin American countries (Mercosur).

Previous studies have shown the benefits of integration projects developed to meet growing demand in the countries in terms of providing new generation parks and networks. Moreover, the dynamics of technological change and increasing environmental awareness demand more pragmatic solutions.

The study, which will be completed in March 2020, aims to develop, from regional and national perspectives, the actions needed to move towards pragmatic regional energy integration in Latin America, identifying the projects and the legal framework required to underpin this development strategy up to 2040.

DESCRIPTION:

This program correlated with a credit line negotiated by KfW with CAF to finance investments in renewable energy and environmental protection projects in Latin America. To complement the investment funding, the EU granted technical assistance funds through LAIF to carry out studies that foster innovative technologies and projects in the sector with the aim of converting them into potential investment projects for CAF. They included feasibility studies and renewable energy potential assessments for Latin American countries, among other climate change projects and initiatives.

EXPECTED RESULTS:

- The program contributes to mitigation and adaptation to climate change as well as protection of the environment in Latin America through 10 studies in the fields of electrical integration, “green” energies and climate-related issues, promoting environmentally focused infrastructure investments.

PROJECT: Sustainable Transport Networks in Latin America



COUNTRIES:

Argentina, Bolivia, Brazil,
Chile, Colombia, Costa Rica,
Honduras, Mexico,
Paraguay, Peru

LEAD INSTITUTION:

AFD

PARTNERS:

CAF

EU-LAIF

TOTAL COST:

€ 403 000 000

LAIF CONTRIBUTION:

€ 3 000 000

TYPES OF SUPPORT:

Technical assistance

DURATION PERIOD:

Oct 2011 – Sep 2017

SPECIFIC ACTIVITIES IN THE COUNTRY:

- Pre-feasibility study BRT Corridor in Fortaleza: The Urban Transport Programme of Fortaleza planned the construction and operation of nine bus rapid transit (BRT) corridors. The pre-feasibility study, which takes full account of the sustainable mobility principles adopted by the Municipality of Fortaleza, included:
 - topographic studies of bus stations and road segments;
 - hydrological, geological and geotechnical studies;
 - landscaping and urban insertion;
 - road safety audits of proposed designs; and
 - traffic simulations and required signalling.

This study was completed and approved, allowing the municipality to continue with the design stage.

DESCRIPTION:

The goal of this program was to increase knowledge of urban development and transport in the region, by identifying new sources of financing for public transport projects (public-private partnerships, land valuation, etc.); identifying the regulatory obstacles to innovative transport projects and the way to surmount them; highlighting the potential of local communities to carry out this type of projects; and making it possible to define the technical and financial contours of specific projects in targeted cities (master plans and prefeasibility studies), thus promoting the emergence and implementation of public transport projects in the region.

RESULTS:

- 16 transport studies were finalized with LAIF funding: 10 studies are integrated mobility strategies and plans or prefeasibility studies for certain cities in Bolivia, Brazil, Colombia and Peru; the other 6 are related to general issues regarding innovative urban transport with a regional scope.

PROJECT: Water and Wastewater Investment Programme



COUNTRIES:

Brazil, Ecuador, Uruguay

LEAD INSTITUTION:

KfW

PARTNERS:

CAF

EU-LAIF

TOTAL COST:

€ 196 000 000

LAIF CONTRIBUTION:

€ 4 160 000

TYPES OF SUPPORT:

Technical assistance

DURATION PERIOD:

Dec 2014 – Dec 2026

SPECIFIC ACTIVITIES IN THE COUNTRY:

Two studies are being financed in Fortaleza with LAIF contribution:

- Feasibility Study for the Water Treatment Plant Gaviao: A study of alternatives and basic project definition to improve water treatment processes, infrastructure and efficient energy use in the Gaviao drinking water plant in the metropolitan area of Fortaleza (capital city of the state of Ceará).
- Energy Efficiency for the Waste Water Treatment Plant (ECP study): a concept study and basic project definition for efficient energy use, infrastructure improvement and operation of the preconditioning wastewater plant of Fortaleza.

DESCRIPTION:

The objective of the program is to facilitate and improve public and private investments in water and sanitation infrastructure, thus contributing to a higher coverage of regional infrastructure demand through environmental and/or climate-relevant solutions. The aim is to carry out complementary studies (e.g. preparation of project profiles, knowledge management, training), support the creation of new and innovative companies and strengthen the financial sector at the service of micro, small and medium-sized enterprises.

EXPECTED RESULTS:

- Enhanced living conditions of the beneficiary population and reduction of water-borne diseases and environmental damages in selected towns through 4 feasibility studies, project design and preparation of tenders for investments to improve the drinking water supply.

PROJECT:

Sustainable Cities and Climate Change

COUNTRIES:

Brazil, Ecuador, Panama,
Peru

LEAD INSTITUTION:

AFD

PARTNERS:

CAF

EU-LAIF

TOTAL COST:

€ 104 870 000

LAIF CONTRIBUTION:

€ 4 368 000

TYPES OF SUPPORT:

Technical assistance

DURATION PERIOD:

Dec 2015 – Dec 2021

CURRENT PROGRESS:

Ongoing

SPECIFIC ACTIVITIES IN THE COUNTRY:

CAF and AFD are currently co-financing the multi-year investment programme of the City of Fortaleza and Recife. LAIF contributes with:

- a certifying training on the use of the carbon balance tool in Fortaleza;
- support for the development of the adaptation component of the Fortaleza municipal climate plan;
- realization of the prefeasibility study of the Jugunlussu waste treatment plant;
- several studies in Recife: decontamination Jiquia River, LED lighting, forestation, water conservation, carbon footprint study.

DESCRIPTION:

LAIF's action is embedded in the "Cities with a Future" program, launched by CAF to accompany policies for sustainable urban development in Latin America and to promote an integrated, multi-sectoral approach to urban development in order to better answer the challenges faced by local governments. The Program helps structure a dialogue with the cities on four main issues: inclusive urban development, productive transformation, environmental sustainability and institutional strengthening and security. In the framework of the Program, the first step towards implementation includes technical assistance (diagnosis and priorities) financed through a grant, leading to investments as a second step. The action has two components: a credit facility and technical assistance.

EXPECTED RESULTS:

- The credit facility will finance 2 to urban investment projects classified as climate related (mitigation or adaptation) in Latin America.
- The Technical Assistance Program will accompany local governments in the definition of low-carbon and climate-resilient urban strategies, to reduce their greenhouse effect gases emissions, and of tools (vulnerability diagnoses) and measures to reduce their vulnerability to the impacts of climate change.

PROJECT:

Technical Assistance to Fonplata Regional Framework Loan

COUNTRIES:

Argentina, Bolivia, Brazil,
Paraguay, Uruguay

LEAD INSTITUTION:

EIB

PARTNERS:

EU-LAIF

TOTAL COST:

€ 102 390 000

LAIF CONTRIBUTION:

€ 2 390 000

TYPES OF SUPPORT:

Technical assistance

DURATION PERIOD:

Dec 2018 – Dec 2023

CURRENT PROGRESS:

Ongoing

SPECIFIC ACTIVITIES IN THE COUNTRY:

- Finance investments in the Municipality of Corumbá, aimed at urbanisation and improvement of socio-environmental conditions, urban infrastructure, housing, recreation and mobility, thereby facilitating access to public equipment and services, enhancing social inclusion and achieving sustainable development in the intervention areas.

DESCRIPTION:

Argentina, Brazil, Bolivia, Paraguay and Uruguay are shareholders of The Plata Basin Financial Development Fund (FONPLATA), a regional multilateral financial institution established to foster inclusive development within the River Plata Basin and surrounding regions. The project has the objective of supporting multi-sector initiatives centered on climate mitigation and adaptation, in sectors such as the provision of basic services in rural and urban areas, urban renewal, and improvement of climate change resilience in the Basin. Small-sized projects with a focus on social deprivation and climate resilience will be targeted.

LAIF contributes with technical assistance to support FONPLATA in improving its policies and procedures in areas that were identified as priorities. The main focus of this support is to upgrade environmental and social safeguards in line with EU standards.

EXPECTED RESULTS:

- Build in-house knowledge and technical capacity to establish appropriate policies and processes for mainstreaming climate change actions at FONPLATA.
- Build FONPLATA's capacity for effective planning, design and implementation of climate change resilience programmes and projects.
- Facilitate flow of funding from FONPLATA to eligible climate action projects and beneficiaries.
- Identify a new pipeline of projects addressing poverty reduction and climate change resilience.
- Improved access to basic services.