

# EIB and CAF fund climate action projects to boost jobs and competitiveness



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- EIB and CAF sign a new co-financing collaboration framework agreement for Latin America and the Caribbean,
- Financial resources from the European Union for climate action projects will target strategic sectors such as transport, energy, water and sanitation, urban development, health, education and financial intermediation for SMEs, among others.

The COVID-19 pandemic has exposed the need for international cooperation to mitigate its adverse effects and to promote well-being and economic and social revival of countries when they need it most, with climate action as a key criterion for interventions. CAF—development bank of Latin America—and the European Investment Bank (EIB) are capitalising on their complementary strengths to underpin sustainable development and integration in Latin America and the Caribbean in an effort to close the infrastructure investment gap.

CAF and the EIB signed a Co-Financing Collaboration Framework Agreement for European support to Latin America and the Caribbean for COVID-19 relief and to promote post-pandemic economic recovery. The Agreement provides for a USD 500 million co-financing framework for sectors such as transport, energy, water and sanitation, urban development, health, education and financial intermediation targeting SMEs, among other strategic sectors for both institutions.

EIB Vice-President **Ricardo Mourinho Félix**, responsible for Latin America and the Caribbean, noted: *“This agreement highlights the EU’s support to Latin America and the Caribbean at these trying times, in order to deal with the economic consequences of the crisis. CAF is one of our key partners in Latin America and the Caribbean and we are working together to help the region meet today’s challenges. This Collaboration Framework Agreement will help us identify and support opportunities for collaboration in post-COVID-19 economic recovery in sectors of common interest, focusing on climate action, thus promoting economic revival, sustainability and competitiveness.”*

*“Investments in integration infrastructure in the region are critical to boosting economic and social revival and to have a positive effect on job creation, economic growth and increased productivity. We are a key partner in the development of our shareholder countries and seek to complement our strengths with strategic partners such as the EIB, to attract funds that allow us to undertake competitiveness-boosting projects,”* noted CAF Executive President **Luis Carranza Ugarte**.

CAF has identified more than 400 integration and digital infrastructure projects in 11 subsectors, all aligned with the 17 Sustainable Development Goals and the Paris Agreement in the fight against climate change. These initiatives have been prioritized based on the quality of their structuring, rapid implementation and the specialized support from experts, which can help create jobs and boost economic growth in Latin America and the Caribbean.

The EIB provides economic support to projects in Latin America by facilitating long-term investment under favorable terms and providing the necessary technical support to ensure that these projects yield positive results in the social, economic and environmental fields. Since the EIB started operations in Latin America in 1993, it has provided funding for a total of EUR 10.4 billion to support 139 projects in 14 countries in the region.

## **About CAF**

**CAF—development bank of Latin America**—aims to promote sustainable development and regional integration by financing public and private sector projects, providing technical cooperation and other specialized services. Established in 1970 and currently made up of 19 countries—17 from Latin America and the Caribbean, as well as Spain and Portugal—and 14 private banks, it is one of the main sources of multilateral financing and an important generator of knowledge for the region. Learn more at [www.caf.com](http://www.caf.com)