



**EUROPEAN COMMISSION**  
EuropeAid Development and Co-operation Directorate General  
Latin America  
**Regional Programmes Latin America and Caribbean**

Brussels, 2011

**COUNTRY BRIEFING  
ON REGIONAL COOPERATION PROGRAMMES**

**CHILE**



**PROGRAMME REVIEW — JULY 2011**

# I - CHILE - COUNTRY PROFILE

|                           |                                       |
|---------------------------|---------------------------------------|
| <b>Capital</b>            | <b>Santiago</b>                       |
| <b>Population</b>         | <b>16 770 million</b><br>(ECLAC 2008) |
| <b>Surface Area</b>       | <b>756.6 thousand sq km</b><br>(WDI)  |
| <b>Population Density</b> | <b>22 people per sq km</b>            |



## **People** (ECLAC)\*

|  |                               |
|--|-------------------------------|
| Urban Population (2010).....                     | <b>87.5%</b>                  |
| Population Growth rate.....                      | <b>1.0%</b>                   |
| Life Expectancy at birth .....                   | <b>78.5 years</b>             |
| Fertility rate .....                             | <b>2.0 children per woman</b> |
| Illiteracy Rate in over 15 year olds (2005)..... | <b>2.9%</b>                   |
| Unemployment Rate (2008).....                    | <b>7.7%</b>                   |
| Population in poverty** .....                    | <b>13.7 %</b>                 |

## **Economy** (WDI 2009 and ECLAC)\*

|   |              |
|---|--------------|
| <b>Economic Sectors (value added, % of GDP)</b> |              |
| Agriculture.....                                | <b>4.0%</b>  |
| Industry.....                                   | <b>47.0%</b> |
| Services.....                                   | <b>49.0%</b> |
| GDP Growth (2008).....                          | <b>3.8%</b>  |

## **Trade and Finance** (WDI 2009 and ECLAC)\*

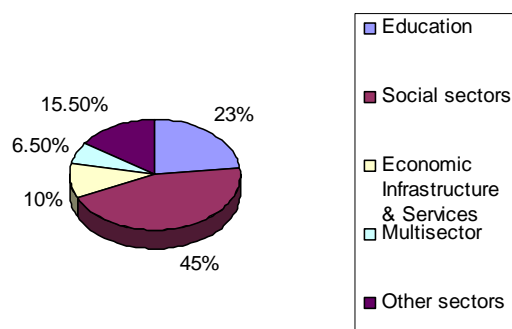
|  |                            |
|--|----------------------------|
| Currency.....                            | <b>Chilean Peso (CLP)</b>  |
| GNI per capita (Atlas method, 2008)..... | <b>US\$ 9,400</b>          |
| Total external debt .....                | <b>US\$ 54.1 billion</b>   |
| Total debt service .....                 | <b>14.2%</b>               |
| Net Foreign Direct Investment (FDI)..... | <b>US\$ 10627 millions</b> |

| <b>Official Development Assistance (ODA)***</b> |      |      |      |
|---|------|------|------|
|   | 2005 | 2006 | 2007 |
| Net ODA /GNI                                    | 0.1% | 0.1% | 0.1% |

**Aid per capita\*\*\* (2007): 7 USD**

| <b>Top 10 Donors of gross ODA (2006-2007 average in USD m)***</b> |    |
|---|----|
| 1 Germany   | 40 |
| 2 Norway  | 19 |
| 3 France  | 14 |
| 4 EC  | 12 |
| 5 Japan   | 10 |
| 6 Spain   | 6  |
| 7 Global Fund   | 3  |
| 8 Canada  | 3  |
| 9 IDB Sp. Fund  | 2  |
| 10 United States  | 2  |

### **Bilateral ODA by sector (2006-07)**



*Note: Here Social Sectors do not include ODA towards Education and Health and Population\*\*\**

\* Data refer to 2007, unless otherwise indicated. Source: statistics taken from ECLAC 2008 (mainly the 2008 Statistical Yearbook for Latin America and the Caribbean) and from the 2009 World Bank World Development Indicators (WDI), unless otherwise stated.

\*\* Percentage of population having incomes amounting to less than twice the cost of a basic food basket.

\*\*\* Sources: OECD and 2009 World Bank World Development Indicators (WDI), unless otherwise stated.

## II- CONTEXT OF REGIONAL COOPERATION – AIMS & OBJECTIVES

### **How are the Centralised Programmes of Regional Cooperation structured and why are they relevant in the present context?**

The characteristics of regional cooperation (*centralised co-operation programmes*) can be summarised as follows:

- Strategy of Influence: a privileged tool to promote mutual interests;
- Interventions on priority areas of regional strategic importance or in response to shared concerns, such as trade and investment promotion, regional integration (*economic as well as social and cultural*), education and training, social cohesion, information society, governance and civil society, sustainable use of energy and the reduction of vulnerability (*the last including the social, the environmental and the economic dimensions*);
- Existence of networks of partners in the two regions. All countries in these regions are eligible, including Cuba. The networks of partners comprise the public sector, local actors (*municipalities*), economic operators (*enterprises, chambers of commerce*) and the academic world (*universities, research and training centres*);
- Financing, through the Development Cooperation Instrument (*DCI*), of multi-annual and co-financed programmes which are then transferred to individual projects. Generally each programme and project is co-financed by the beneficiaries.

The principal strengths of the regional cooperation managed at central level and mostly operated by networks in the EU and LA are the following:

- Very strong sense of ownership of those actors who are directly involved;
- Visibility given to the political priorities of the EU/LAC strategic partnership as expressed during the summits, which are translated into concrete actions;
- Specifically European ‘*added value*’, complementing the interstate partnership and strengthening the relations between the two regions;
- Exchanges of know-how and best practice between actors of both regions;
- Coverage of the entire Latin American region (*plus Cuba*) by specific networks;
- Multiplier effects of the networks;
- Economies of scale as compared to other bilateral co-operation actions;
- Strengthening of South-South co-operation;
- Stimulation of development by giving Latin American societies the chance to measure their achievements against similar partners in Europe;
- Permanent efforts to build fuller synergies between the various levels of the co-operation (*bilateral, sub-regional and regional*) – which they should supply reciprocally.

### III- EU – LATIN AMERICA: REGIONAL COOPERATION PROGRAMMES

With a view to developing closer ties between Latin America and the Europe Union, a number of regional cooperation programmes have been established over the last decade, in the areas of social cohesion, territorial cooperation, SMEs development, Higher Education, information society and sustainable energy.

The EC has earmarked an indicative amount of EUR 556 million for Latin America, for the period 2007-2013, to further support of those programmes: a second phase of **EUROsociAL**, which aims at improving social cohesion, has already been planned and the new **URB-AL III** programme, which started in 2008, will pursue territorial cooperation through the promotion of social cohesion policies at the local level. **AL-INVEST IV**, also launched during 2008, continues to support the internationalisation of Latin American SMEs. In the area of Higher Education, the **ALFA III** programme covering the period 2007-2013, is focused on cooperation for modernising and reforming higher educations systems in LA, as well as for reinforcing the established partnerships between Higher Education Institutions from both regions. The new **Erasmus Mundus II Action 2 — Strand 1— Partnerships with Latin America** programme will provide scholarships and promote academic exchanges. In 2009, **@LIS** started a new phase within which it will continue to facilitate the integration of Latin American countries into the global information society.

#### **AlBan — European Union Programme of High Level Scholarships for Latin America**

The **AlBan** programme aimed at furthering co-operation in the field of Higher Education between the EU and Latin America. The programme promoted increased mobility of Latin American graduates into the European Area of Higher Education. Such individuals were given the opportunity to benefit from the excellence of these higher education institutions, and thus enhancing their employability and enjoying better employment prospects once they return to their own countries. The AlBan programme covered the period 2002-2010 and has now reached its end. The total budget for this programme was **EUR 109.98 million**, with a European Community contribution of **EUR 84.650 million**, (*out of which €75m were devoted to scholarships*).

The annual Calls for Scholarships ended with the 5<sup>th</sup> Call, in 2006. This call led to the selection of **3 319** grant-holders coming from the 18 Latin American participating countries.

#### **Erasmus Mundus for Latin America (Action 2 — Strand 1)**

The Erasmus Mundus - External Cooperation Window (*EM-ECW*) programme is expected to be an opportunity to capitalize on the experience and best practice already acquired through the Alban Programme. This programme aims at contributing to the improvement of education and training of human resources, as well as at promoting partnerships and institutional co-operation exchanges between Higher Education Institutions. The first Call for Proposals, including a Window dedicated to the Latin American Region, has been launched in December 2008. The total budget for this Window is **EUR 41.6 million**. For the period 2009-2013, **Erasmus Mundus II Action 2 — Strand 1 — Partnerships with Latin America**, which focuses on the Latin American region, will go further in the objectives pursued by the EM-ECW.

### **ALFA - Latin America Academic Training**

The ALFA programme, which began in **1994**, seeks to reinforce cooperation in the field of Higher Education. The programme co-finances projects aiming at improving the capacity of individuals and institutions (*universities and other relevant organisations*). The first phase, ALFA I, with a EC contribution of **EUR 31 million**, ran until 1999. The second phase, ALFA II (2000-2005), with a total of 10 selection rounds, represented a EC contribution of **EUR 54.6 million** distributed to the **225** approved projects (*72 % of the total project's costs on average*). Held by **770** distinct institutions organised by means of networks, it has operated more than **3 600** training exchanges. The third phase of Alfa (2007-2013), with a EC contribution of **EUR 75 million**, is expected to be an opportunity to capitalize on the experience acquired and to promote and spread the best practice gained to date. Under the first Call for Proposals (CfP), **14** projects have been implemented since 2009, with a total budget of **EUR 23.2 million** (EC contribution: **EUR 19.34 million**), benefiting **133** participants, 78 % of which from Latin America. From the **155** proposals received for the second Call for Proposals, **19** projects were selected. In addition, out of the **378** participants benefiting from the EC's contribution of **EUR 30.38 million**, 80.2 % come from Latin America.

The Directorate General for Development and Co-operation — EuropeAid has launched the ALFA III third Call for Proposals in February 2011, with an indicative budget of **EUR 23.62 million**. The selected projects are expected to be signed by December 2011.

### **AL-INVEST — enhancing commerce between SMEs**

AL-INVEST aims to promote social cohesion by contributing to the strengthening and internationalisation of Latin American small and medium sized enterprises (SMEs), exchange of innovations and knowledge, as well as to foster economic relations with their European counterparts. The programme, launched by the EC in **1993**, started in 2009 its Phase IV after successfully completing the three previous phases.

**AL-INVEST IV**, which will run until 2012, is designed to contribute to the sustainable internationalisation process of SMEs in Latin America through projects funding for organisations that represent the private sector and promote its development, such as Chambers of Commerce, Trade Associations, Export Promotion Agencies etc. Within the framework of the programme, Latin American SMEs benefit from training and technical assistance to improve their competitiveness, participate in business meetings in relevant trade fairs, and have access to quality information as well as to advice on market opportunities, potential clients or business partners and EU legislation and policies.

The programme is implemented through 3 groups of business organisations (*consortia*) belonging to three distinct geographical areas of Latin America:

- Central America-Mexico-Cuba
- Mercosur-Chile-Venezuela
- Andean Region

The three consortia are supported through horizontal services performed by a coordination unit, which, in turn, was set up by a consortium based in Brussels. The overall contribution of the EC to the programme amounts to **50 million Euro (80 % of the total cost)**.

All activities are organised according to identified needs and agreed annual plans. Additionally, market studies are produced, information on European procedures is provided and a network of contacts with European bodies is established – Network of Interested Institutions (RII). Also, an established common database and a common website ([www.al-invest4.eu](http://www.al-invest4.eu)) are facilitators of information exchange and networking.

For further information, please contact the Programme Coordinator, Mr. Vittorio Tonutti: [Vittorio.Tonutti@ec.europa.eu](mailto:Vittorio.Tonutti@ec.europa.eu), EuropeAid Development and Co-operation Directorate-General, Unit G2.

### **@LIS Alliance for Information Society**

@ Alliance for the Information Society 2 — @LIS 2 — aims to continuing the promotion of the information society and fighting the digital divide throughout Latin America. Adopted by decision of the European Commission on the 16<sup>th</sup> of November 2008, @LIS 2 has a budget of **EUR 31.25 million**, of which **EUR 22 million (70.4%)** will be financed by the European Commission.

The general objective of this second phase of the programme is, in line with the MDGs, to accompany the development of a sustainable, competitive, innovative and inclusive information society, as part of the effort to reduce poverty, inequalities and social exclusion, through the attainment of the following specific objectives:

- Continue to promote, and at the same time improve and extend the dialogue and applications on Information Society in LA;
- Support the homogenization and harmonization of regulatory processes, in the telecommunications sector in Latin America;
- Meet the needs of local communities and citizens, as part of a sustainable development;
- Promote the dialogue between all players and users of the information society;
- Increase the interconnection between Research & Development communities of both regions.

The @LIS 2 programme has 3 lines of action with as many projects to be implemented between 2009 and 2012. Each of the projects will contribute to bring closer together the communities of players and users of the two regions and to facilitate the integration of the Latin-American countries in a global information society. The 3 lines of action can be described as follows:

- Policy and Regulatory Dialogue: pursue the strengthening of political, technical and social links with Europe in this area, contributing to a greater visibility of this issue in the LA political agendas, leading to more resources being channelled to R&D and greater civil society participation in the generation of public policies, involving demonstration projects of the former phase;
- Stimulate and support research intra LA and with Europe: the program will sustain the continuity of RedCLARA, whilst supporting relations among the researchers and promoting joint projects. To this end it will seek to: (i) provide a proper framework for the technical decisions and the subsequent investments in order to ensure compatibility between investments in technology and operational capabilities; (ii) favour the long term network sustainability, by formalizing operational objectives such as service levels; (iii) allocate funds to promote and support key strategic applications that use RedCLARA; (iv) identify actions to guide the strategic technological decisions and (v) promote co-operation with CKLN network;

- Homogenization and harmonization of regulatory processes, in Latin Americas' telecommunications sector. There is a broad consensus that an effective and stable regulatory framework is essential for the further development of the IS, and notably to strengthen competition and consequently favouring access to ICTs.

According to the Financing Decision and the provisions of the current Financial Regulation the three grants have been directly awarded to the following entities: ECLAC (*Economic Commission for Latin America and the Caribbean*), CLARA (*Latin American Cooperation of Advanced Networks*), and REGULATEL AD (*Association of Regulators REGULATEL AD*).

### **URB-AL - Urban Policy Coordination**

URB-AL is a decentralised cooperation programme directed at local communities of the EU and Latin America, as well as other actors involved in the urban sector. This third phase of the URB-AL programme, with a EC contribution of EUR 50 million, for 4-year period, aims to stimulate and support Latin American countries in the development of processes and policies that contribute to generating social cohesion in the cities and within medium level territorial entities (departments, provinces, federal states, etc.). There are 21 projects being implemented under the framework of the URB-AL III programme.

All projects started on the 1<sup>st</sup> of January 2009, with the exception of the Office of Coordination and Orientation, which became operational on the 22<sup>nd</sup> of November 2008.

### **EUROsociAL – Regional Programme for Social Cohesion**

The first stage of the EUROsociAL programme last **5 years (2005-2010)** and its activities ended in July 2010. The participants in the programme included 2 354 institutions (1 570 from LA, 593 from the EU and 191 from international organisations), represented by 12 506 persons (10 068 from LA, 1 967 from the EU and 471 from international organisations). The European Commission's contribution to the programme was of **EUR 31.3 million**.

As in its first phase, EUROsociAL II aims at contributing to increase social cohesion in Latin America through the promotion of reforms and the improvement of public policies management. This phase will put a stronger emphasis on the demand-driven orientation of the programme. The grant contract for the implementation of EUROsociAL II has been awarded to a consortium led by FIIAPP (Fundación Internacional y para Iberoamerica de Administración y Políticas Públicas), for the amount of **EUR 40 million**. The consortium comprises 6 coordinating and 33 operating partners. The implementation period started on the 29<sup>th</sup> of December, 2010 for the duration of 48 months. As up to now, cooperation between public administrations will continue through the provision of support to the establishment of institutional partnerships between Latin American and European public administrations.

For further information, please contact the Programme Coordinator, Mr. Vittorio Tonutti: [Vittorio.Tonutti@ec.europa.eu](mailto:Vittorio.Tonutti@ec.europa.eu), EuropeAid Development and Co-operation Directorate-General, Unit G2; or the Programme Manager Ekaterina Yakovleva: [Ekaterina.yakovleva@ec.europa.eu](mailto:Ekaterina.yakovleva@ec.europa.eu).

## **Promoting Mutual Understanding in the framework of the association European Union — Latin America and the Caribbean and strengthening social cohesion and Latin American regional integration**

The aim of this **4-year** programme (**2007-2011**) is to enhance mutual understanding between the EU and LA, strengthening the strategic bi-regional association process and Latin-American regional integration. In 2010, the programme has delivered regular informative initiatives, such as the EUROLAT magazine, launched discussion forums, produced studies and provided training on European and EU-LAC matters. The European Commission's contribution to this programme is **EUR 767 513**.

For further details, please contact the programme coordinator, Mr. Vittorio Tonutti: [Vittorio.Tonutti@ec.europa.eu](mailto:Vittorio.Tonutti@ec.europa.eu), EuropeAid Development and Co-operation

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### **IV- EU – LATIN AMERICA: NEW AREAS OF COOPERATION**

#### **EURO-SOLAR**

The objective of EURO-SOLAR is to promote the use of renewable energy sources in the poorest countries of Latin America and to improve living conditions by fighting poverty, particularly among indigenous groups. It allows those living in the poorest rural areas, without access to the national grid, to benefit from a source of electricity generated from the sun and the wind. EURO-SOLAR provides these communities with a system of photovoltaic panels, in some case combined with small wind panels, in order to generate electricity and other applications for community use in the field of education, health and communication. The installation of a maximum of **600** such facilities is planned. The countries participating in the EURO-SOLAR programme are **Bolivia, Ecuador, El Salvador, Guatemala, Honduras, Nicaragua, Paraguay and Peru**. The programme was approved by the Commission in May 2006, with a total contribution of EUR 24 million and a duration of 4 years. In December 2008, the European Commission decided to add an amount of EUR 4.7 million to extend the programme for another nine months, as well as to face budget shortage in the supplies call for tenders.

The Financing Agreement entered into force on the 18<sup>th</sup> of January 2007 and first addendum for the additional budget and the 9-month extension was signed in September 2009. The technical assistance contract was signed in July 2007, and the activities in the field with local partners, in particular governmental institutions, began in September 2007. The eight supply contracts (*one per country*) have been signed in the period between the end of 2008 and the beginning of 2009. The equipments are functioning in the majority of the beneficiary rural communities.

During 2011, the activities will focus on the provision of the necessary conditions in order to ensure the expected impact as well as sustainability as regards education, health and telecommunications.

For further information on EURO-SOLAR, please contact the Programme Coordinator, Mr. José González y González: [Jose-Maria.Gonzalez-Y-Gonzalez@ec.europa.eu](mailto:Jose-Maria.Gonzalez-Y-Gonzalez@ec.europa.eu), EuropeAid Development and Co-operation Directorate-General, Unit G2

### **Climate Change:**

Climate change is unquestionably the *challenge of our times*. As such, “*Sustainable Development: Environment, Climate change and Energy*” was one of the key themes of the 5<sup>th</sup> EU-LAC Summit (*Lima – May 2008*).

In December 2008, the European Commission decided to co-finance a "*Review of the Economics of Climate Change in South America*" (*RECCs*). The purpose of the study is to make an economic analysis of the impacts of climate change in selected countries of South America, in the areas of mitigation and adaptation of selected sectors. The total foreseen budget of the study is EUR 630 000 (*EC contribution: EUR 500 000*). The contribution agreement to implement the RECCs has been signed with UN-ECLAC, which is jointly coordinating this study with the government of the United Kingdom (*DFID*), IADB and the governments of Denmark and Spain.

During 2009, another study has been carried out in collaboration with Latin American countries. This study, titled "*Climate Change in Latin America*", which was published in December 2009, was elaborated on the basis of the information compiled through questionnaires sent to each Latin American country and to each EU Member State during the identification phase of the EUroCLIMA Regional Programme.

In parallel, the EUroCLIMA programme has been approved by the EC on the 18<sup>th</sup> of December 2009, with a total foreseen EC contribution of EUR 5 million, for a three-year duration. The programme has been officially launched on the 28<sup>th</sup> and the 29<sup>th</sup> of April 2010, in San José (Costa Rica). The specific foreseen objective aims at improving the knowledge of Latin American decision-makers and that of the scientific community on problems and consequences of climate change, particularly with a view to integrating these issues into sustainable development strategies. The socio-economic component (implemented by UN-ECLAC) and the scientific component (implemented by the Joint Research Centre in Ispra) have started in the first semester of 2010.

For further information on climate change programmes, please contact the Programme Coordinator, Mr. José González y González: [Jose-Maria.Gonzalez-Y-Gonzalez@ec.europa.eu](mailto:Jose-Maria.Gonzalez-Y-Gonzalez@ec.europa.eu), EuropeAid Development and Co-operation Directorate-General, Unit G2.

### **COPOLAD – Cooperation Programme on Anti-drugs Policies**

The General Objective of the Programme is to contribute to improve coherence, balance and impact of anti-drugs policies in Latin America. The Programme specifically aims at strengthening capacities and encouraging the different stages of the anti-drugs policies development process in Latin American countries, by improving the dialogue and reinforcing the cooperation of the national agencies and other actors responsible for global and sectoral anti-drugs policies in the countries of Latin America and the EU. The Programme is structured in four components: 1) Policy support and dialogue and consolidation of the EU-LAC Coordination and Cooperation Mechanism on Drugs; 2) Knowledge and consolidation of the national Observatories; 3) Building capacity in reduction in demand and 4) Building capacity in reduction of supply.

The grant contract for the implementation of the COPOLAD Programme has been awarded to a consortium led by the FIIAPP (*Fundación Internacional y para Iberoamerica de Administración y Políticas Públicas*), for the amount of **EUR 5 999 925,92**. The Spanish consortium comprises the following partners: Delegación del Gobierno para el Plan Nacional sobre Drogas (DGPNSD), Spain; Centro de Inteligencia contra el Crimen Organizado, CICO, Ministerio de Interior, Spain; Secretaría de Programación para la Prevención de la Drogadicción y la Lucha contra el Narcotráfico (SEDRONAR), Argentina; Secretaria Nacional de Políticas sobre Drogas, SENAD, Brazil; Consejo Nacional para el Control de Estupefacientes, CONACE, Chile; Dirección Nacional de Estupefacientes, DNE, Colombia; Centre interministériel de formation anti-drogue, CIFAD, France; Instituto da Droga e da Toxicodependencia, IDT, Portugal; Comisión Nacional para el Desarrollo y vida sin Drogas, DEVIDA, Peru; Junta Nacional de Drogas, JND, Uruguay; GTZ, Germany. In addition, the following entities also take part in the consortium as associates: Instituto Costarricense sobre Drogas, ICD, Costa Rica; National Anti-Drug Agency, ANA, Romania; Central Investigation Office of the National Police, Poland; Comisión Internacional para el Control del Abuso de Drogas de la Organización de los Estados Americanos, CICAD/OEA; RIOD (a network of Ibero-American NGOs which operates in the field of drug addiction).

The implementation period started on the 4<sup>th</sup> of December 2010, and its duration is 42 months.

For further information, please contact the Programme Coordinator, Mr. Vittorio Tonutti: [Vittorio.Tonutti@ec.europa.eu](mailto:Vittorio.Tonutti@ec.europa.eu), EuropeAid Development and Co-operation Directorate-General, Unit G2.

### **RALCEA – Latin American Network of Knowledge Centres in the Water Sector**

The European Union Water Initiative (*EUWI*) represents the European Union's most specific contribution to support the implementation of the Decisions of the World Summit on Sustainable Development held in Johannesburg, in September 2002. It stands for a common European approach to meet the challenges of water-related Millennium Development Goals.

Within this framework, the RALCEA Project — Latin American network of knowledge centres in the water sector — has been adopted by the European Commission in December 2009, and has started its activities in mid-2010.

The RALCEA Project aims at supporting the establishment of a network of knowledge centres in the water sector. To this end, a plan of activities to improve the coordination of knowledge centres research work and to reinforce such coordination towards the support to the policy decision level will be implemented. Complementarily, a common strategic plan in capacity development will be set up. Emphasis will be placed in governance technical training addressed to scientific and technical staff, as well as technical training addressed to policy-makers, in order to reinforce mutual understanding. Therefore, the development of capacities in the water sector in Latin America is expected to contribute to a sustainable management of water resources and to information-based policies, in line with the objectives of the EU Water Initiative in the region.

This Project, which will be implemented in the Latin American Region during a period of 4 years, has a total budget of EUR 2.5 million, of which EUR 2.25 million will be granted by the European Commission. DG Joint Research Centre (Institute of Environment and Sustainability) is responsible for the implementation of the project.

Each LA country has designated a focal point in public institutions related to the water sector.

On the 28<sup>th</sup> and 30<sup>th</sup> of October 2010, a launching event of the project was held in Quito (Ecuador).

During the first semester of 2011, the project will identify the knowledge centres that will take part in the network.

For further information on RALCEA, please contact the Project Coordinator, Mr. José González y González: [Jose-Maria.Gonzalez-Y-Gonzalez@ec.europa.eu](mailto:Jose-Maria.Gonzalez-Y-Gonzalez@ec.europa.eu), EuropeAid Development and Co-operation Directorate-General, Unit G2

### **LAIF – Latin America Investment Facility**

LAIF's main purpose is to promote additional investments and key infrastructures in the transport, energy and environment sectors, as well as to support the social and private sectors' development in the Latin American countries.

LAIF operates via financial non-refundable contributions to support loans from European, multilateral and national development financial institutions to partner countries. It encourages beneficiary governments and public institutions to carry out essential investments, thus allowing an increase in risk and credit ceilings, which cannot be financed either by the market or by the development finance institutions separately.

The types of operations financed under LAIF are the following:

- Investment co-financing in public infrastructure projects;
- Loan guarantee cost financing;
- Technical assistance (*financed as part of a specific investment operation or as a global envelope made available to eligible financial institutions*);
- Risk capital operations (*financed as part of a specific investment operation or as an envelope made available to eligible financial institutions*).

LAIF's grant award procedure is based on the approval, by the Operational Board (*comprising the European Commission and the Member States*), of the projects selected by the Finance Institutions Group — FIG —, *which comprises all eligible Finance Institutions*. Projects are selected by the FIG from a pipeline established on the basis of a list of operations submitted by the Finance Institutions for a possible financing by the Facility.

The contribution of the European Commission to LAIF is decided annually. For the period 2009-2010, the European Commission allocated an amount of EUR 34.85 million. Additionally, the Commission is launching a commitment of EUR 40 million to cover 2011 that it is expected to be approved in the first semester of 2011. The "*mid term review and regional indicative programme 2011-2013 for Latin America*" foresees a total amount of EUR 125 million for LAIF up to 2013. Also, at the end of 2010, Commissioner Piebalgs announced the creation of specific "Climate Change Window" in all EU regional Investment Facilities, including LAIF.

The Facility was officially launched during the EU-LAC Summit in May 2011, in Madrid, and was presented to the Latin American countries in the LAIF Forum that took place in October 2010, in Punta del Este (Uruguay).

LAIF has had an equally enthusiastic response from the Partner Countries, the Member States and the Finance Institutions, as it has been made clear by the fact that, for the period 2011-2012, 18 projects have been pre-identified, representing a total investment cost of approximately EUR 5.5 billion, a potential lending of over EUR 2.1 billion and a potential grant contribution of about EUR 77 million.

In 2010, the Operational Board of LAIF approved a contribution of EUR 21 million to 5 projects, representing a total investment of EUR 1.1 billion.

For further information, please contact the Programme Coordinator, Mr. Jaime Reis Conde: [Jaime.REIS-CONDE@ec.europa.eu](mailto:Jaime.REIS-CONDE@ec.europa.eu) or [EuropeAid-LAIF@ec.europa.eu](mailto:EuropeAid-LAIF@ec.europa.eu), EuropeAid Financial Instruments, Unit C3.

See also the website:

[http://ec.europa.eu/europeaid/where/latin-america/regional-cooperation/laif/index\\_en.htm](http://ec.europa.eu/europeaid/where/latin-america/regional-cooperation/laif/index_en.htm)

## V- CHILE'S PARTICIPATION IN THE PROGRAMMES OF REGIONAL COOPERATION

### Chile's participation in Alβan — European Union Programme of High Level Scholarships for Latin America

The **first Alβan call** for candidates took place in 2003/2004, and a total of 251 scholarships were awarded. These scholarships had, on average, a duration of two years and benefited from a total EC contribution of **EUR 6.7 million**, the average contribution per scholarship being of EUR 26 700. Out of the **251** selected candidates, **22 (approximately 8.8 %)** were **Chilean** and had as main areas of study Social Sciences and Agricultural Sciences.

In the **second Alβan Call (2004/2005)**, 779 scholarships were awarded, once again for an average of two years. For this call, the total EC contribution amounted to **EUR 20.22 million**, and the average EC contribution per scholarship was of EUR 26 000. Of the **779** selected candidates, **65 (approximately 8.3 %)** were **Chilean**, studying mainly Social Sciences, Medical Sciences, Engineering and Technology. Despite the fact that Chile is still very well represented in Alβan, the proportion of students from Chile who benefit from the Programme has nevertheless decreased.

In the **third Alβan Call (2005/2006)**, 553 scholarships were awarded, again for an average period of two years. The average EC contribution was of EUR 26 800 per scholarship, which corresponds to a total contribution of **EUR 14.86 million**. Of the **553** selected candidates, **31 (over 5 %)** were **Chilean**.

In the **fourth Alβan Call (2006/2007)**, of the total 930 scholarships awarded, **73** of the successful candidates were **Chilean**.

In the **fifth Alβan Call (2007-2008)**, 806 scholarships were awarded, **56** of which (*approximately 7 %*) to **Chilean** candidates having as main areas of study Social Sciences and Natural Sciences.

As indicated in the table below, the AlBan scholarships awarded to **Chilean** nationals in the course of the programme represent 7 % of the total number of scholarships awarded.

| Scholarships awarded to Chilean nationals by type of course |             |             |                |             |
|---|-------------|-------------|----------------|-------------|
| Year  | Master      | PhD         | Specialization | Total       |
| 2003  | 11          | 10          | 1              | 22          |
| 2004  | 23          | 37          | 5              | 65          |
| 2005  | 19          | 12          | 0              | 31          |
| 2006  | 39          | 28          | 6              | 73          |
| 2007  | 32          | 20          | 4              | 56          |
| <b>Total — Chile</b>  | <b>124</b>  | <b>107</b>  | <b>16</b>      | <b>247</b>  |
| <b>TOTAL AlBan — all LA countries</b>                       | <b>1803</b> | <b>1426</b> | <b>90</b>      | <b>3319</b> |

### **Chile's participation in ALFA III — Latin America Academic Training**

In the context of the first Call for Proposals, **9** eligible Higher Education Institutions (HEIs) from Chile participate in **8** of the **14** approved projects of ALFA III. The Inter-university Development Centre (*Cinda*) is in charge of the coordination of **1** of the projects. The EC financial contribution to the activities carried out by the **8** projects in which Chile participates is of **EUR 12.8 million**, which represents on average **79 %** of the total cost of projects.

In the second Call for Proposals, **28** eligible Higher Education Institutions (*HEIs*) from Chile participate in **12** of the **19** approved projects of ALFA III. The EC financial contribution to the activities carried out by the **12** projects in which Chile participates is of **EUR 20.5 million**, which represents on average **80 %** of the total cost of projects.

### **Main ALFA Events in Chile**

1-2 August 2011, Santiago del Chile: Mercosur Subregional Meeting of the Riape3 (Programa marco interuniversitario para una política de Equidad y cohesión social en la educación superior) project, second Call for Proposals ALFA III.

5-7 October 2011, La Serena: CONGRESO IBEROAMERICANO EDUCACIÓN Y SOCIEDAD - CIEDUC 2011

October 2011, Valparaiso: Dissemination event and final consortium meeting of the Alfa III-1 project, Kick-Start II.

For up to date information on ALFA, please refer to the website:

[http://ec.europa.eu/europeaid/where/latin-america/regional-cooperation/index\\_en.htm](http://ec.europa.eu/europeaid/where/latin-america/regional-cooperation/index_en.htm)

Alternatively, please contact the Programme Coordinator, Mr. José González y González: [Europeaid-infoalfa@ec.europa.eu](mailto:Europeaid-infoalfa@ec.europa.eu), EuropeAid Development and Co-operation Directorate-General, Unit G2.

### **Chile's Participation in AL-INVEST — Enhancing Trade and Investment between SMEs**

The AL-INVEST IV project, titled "*Internationalisation and competitiveness of SMEs in MERCOSUR, Chile and Venezuela for a sustainable development*", will be implemented by a consortium of business organisations led by the Confederação Nacional da Indústria (*CNI*) from Brazil. In Chile, two organisations implement Phase IV of Al-INVEST:

- EuroChile Business Foundation.
- National Chamber of Commerce, Services and Tourism in Santiago de Chile.

In 2011, Chilean partners participate in the following major international fairs: ANUGA, in Cologne; SIMM, in Madrid; CEBIT, in Hannover; Biofach, in Nuremberg; Maderalia, in Valencia, etc.

For further information on AL-INVEST, please refer to the website: <http://www.al-invest4.eu>  
Contact person: Mr. Thiago Lima (CNI), [thiago.lima@cni.org.br](mailto:thiago.lima@cni.org.br)

Alternatively, please contact the Programme Coordinator, Mr. Vittorio Tonutti: [Vittorio.Tonutti@ec.europa.eu](mailto:Vittorio.Tonutti@ec.europa.eu), EuropeAid Development and Co-operation Directorate-General, Unit G2.

## **Chile's Participation in @LIS — Alliance for Information Society**

### **Horizontal Actions**

Like all of the Latin American countries, Chile has one partner in the RedCLARA, which is **Red Universitaria Nacional — REUNA**, and one in the Network of Regulators, which is Subsecretaria de Telecomunicaciones, **SUBTEL**.

Additionally, the "Comisión Económica para América Latina y el Caribe" (ECLAC), which is the **coordinator of Action 1 project, "@LIS 2 — Alianza para la Sociedad de la Información 2 — Diálogo político inclusivo e intercambio de experiencias"**, has its seat in Chile.

The **3 @LIS projects** currently on-going in **Chile and their members** are the following:

| PROJECT NAME   | NAME OF MEMBER                                |
|--|---|
| "Consolidación de la red de Reguladores de Telecomunicaciones de América Latina"                                   | Red Universitaria Nacional - REUNA,           |
| "Extending and Strengthening RedCLARA as e-infrastructure for Collaborative Research and Support to Development"   | Subsecretaria de Telecomunicaciones , SUBTEL. |
| "@LIS 2 –Alianza para la Sociedad de la Información 2, - Diálogo político inclusivo e intercambio de experiencias" | ECLAC + Government representatives            |

### **Main @LIS Events**

Presently, there are no events previewed.

For further information on @LIS, please refer to the website: [http://ec.europa.eu/europeaid/where/latin-america/regional-cooperation/alis/index\\_en.htm](http://ec.europa.eu/europeaid/where/latin-america/regional-cooperation/alis/index_en.htm)

Alternatively, please contact the Programme Coordinator, Mr. José González y González: [europeaid-alis@ec.europa.eu](mailto:europeaid-alis@ec.europa.eu), EuropeAid Development and Co-operation Directorate-General, Unit G2

### **Chile's participation in URB-AL — Urban Policy Coordination**

In its second phase, the URB-AL programme consisted of **thirteen thematic networks** co-ordinated by a single local authority. All local actors that wished to co-operate on a given theme, could participate in the corresponding network, which served as focal point and forum for discussion. Joint projects were then designed and implemented within the networks. Out of the six cases where a thematic network was coordinated by a Latin American local authority, **Chile led two: Santiago de Chile — Network 1 "The City and Drugs" and Valparaíso — Network 14 "Citizen Security in the City"**. To date, and within the framework of URB-AL I and II, **188** joint projects have been selected, **78** of which counted with the involvement of Chilean local authorities. Additionally, **10 external members** from Chile also participated in URB-AL I and II joint projects.

Presently, there are **4** local authorities involved in the current third phase of URB-AL, which represents approximately **3%** of the total number. None of them, however, is responsible for the coordination of a project.

### **Main URB-AL Events foreseen in Chile**

Presently, there are no events previewed.

For further information on URB-AL, please refer to the website:  
[http://ec.europa.eu/comm/europeaid/projects/urbal/index\\_en.htm](http://ec.europa.eu/comm/europeaid/projects/urbal/index_en.htm)

Alternatively, please contact the Programme Coordinator, Mr Basile PAPADOPOULOS: basile.papadopoulos@ec.europa.eu, EuropeAid Development and Co-operation Directorate-General, Unit G2

### **Chile's participation in EUROsociAL II**

The *Centro de Estudios de Justicia de las Américas (CEJA)*, which has its seat in Chile, participates in the consortium which will implement the Programme as an operating partner in the field of justice.

### **Main EUROsociAL II Events in Chile**

The first Annual Action Plan is currently being formulated and the information on the upcoming events will be available further on.

### **Chile's participation in COPOLAD**

The *Consejo Nacional para el Control de Estupefacientes (CONACE)* is a partner in the consortium which will implement the Programme.

### **Main COPOLAD Events in Chile**

The first Annual Action Plan is currently being formulated and the information on the upcoming events will be available further on.

### **Chile's participation in EUroclIMA**

The UN-ECLAC (Economic Commission for Latin America and the Caribbean), based in Santiago (Chile) implements and coordinates the activities regarding the socio-economic aspects of climate change, such as: improving of socio-economic knowledge of the impacts of climate change in the 18 Latin American countries, in selected sectors; providing decision-makers with analysis of costs and benefits of the different options of mitigation and adaptation, in order to facilitate decisions in implementing measures; and mainstreaming climate change issues in the economic, planning and sectoral institutions of the 18 countries involved, enabling a cost efficient transition to low-carbon economies. The Contribution Agreement between the EC and ECLAC has been concluded in May 2010.

The EUroclIMA focal point in Chile is represented by the Environmental National Committee (CONAMA)

### **Main EUroclIMA Events in Chile**

End March in Valparaiso (*to be confirmed*): It is foreseen a kick-off meeting within the scientific activities implemented in the Desertification thematic action. It is expected that 14 institutions from 9 Latin American countries will participate in this event, which will be organised by DG Joint Research Centre, based in Ispra (Italy), jointly with the Water Centre for Arid and Semi-arid Areas in Latin America and the Caribbean (CAZALAC).

### **Chile's participation in RALCEA**

RALCEA focal point in Chile is represented by the Environment National Commission.

### **Chile's participation in LAIF**

#### **Regional Climate Change Programme**

The LAIF Board approved, on the 23<sup>rd</sup> of November 2010, a regional project led by **KfW** (Kreditanstalt für Wiederaufbau) and co-financed by **CAF** (Corporación Andina de Fomento), which focus on **Climate Change investments projects**, being Chile part of the beneficiary countries of the action.

The project aims to facilitate and enhance public and private investments in climate friendly infrastructure so as to contribute to meeting the growing infrastructure demand in Latin America through climate friendly solutions and thus to contribute to climate change adaptation and mitigation, e.g. through the reduction of energy consumption and CO2 emissions.

#### **Key facts of the project**

- **Total cost:** EUR 303 million.
- **LAIF contribution:** EUR 3 million.
- **Leading finance institution:** KfW (EUR 150 million loan).
- **Co-financing institution:** CAF (EUR 150 million loan).
- **Type of LAIF support:** Technical Assistance and studies.
- **Foreseen starting date:** first half of 2011
- **Foreseen end:** End of 2014.
- **Beneficiaries:** Argentina, Bolivia, Brasil, **Chile**, Colombia, Costa Rica, Ecuador, Mexico, Panama, Paraguay, Peru, Uruguay, Venezuela.

Specifically in the case of **Chile**, these studies will focus on the cost-benefit analysis of electricity grids interconnections in the axis of Bolivia-Chile. Such interconnections will lead to a reduction in costs and an improvement in the electricity supply. Moreover, they will contribute to invigorating the regional economic integration as well as to the development of renewable energies.

For further information, please contact the Programme Coordinator, Mr. Jaime Reis Conde: [Jaime.REIS-CONDE@ec.europa.eu](mailto:Jaime.REIS-CONDE@ec.europa.eu) or [EuropeAid-LAIF@ec.europa.eu](mailto:EuropeAid-LAIF@ec.europa.eu), EuropeAid Financial Instruments, Unit C3.

See also the website:

[http://ec.europa.eu/europeaid/where/latin-america/regional-cooperation/laif/index\\_en.htm](http://ec.europa.eu/europeaid/where/latin-america/regional-cooperation/laif/index_en.htm)