The Latin America Investment Facility (LAIF) is one of the EU’s regional blending facilities, aiming to mobilise funding for development projects by combining EU development grants with loans from other sources, including European and Regional Financial Institutions. The purpose of LAIF is to support Latin American countries in financing key infrastructure projects in selected sectors, such as transport, energy, environment and social sector, as well as private-sector growth especially via small and medium-sized enterprises (SMEs).

LAIF pursues three interconnected and mutually-reinforcing strategic objectives:

- Improving interconnectivity between and within Latin American countries via better energy and transport infrastructures, including energy efficiency, renewable energy systems, and sustainable transport and communication networks.
- Increasing environment protection and supporting climate change adaptation and mitigation.
- Promoting equitable and sustainable socio-economic development through the improvement of social service infrastructure and support to SMEs.

Since its launch at the sixth European Union-Latin American and Caribbean (EU-LAC) Summit in 2010 until end 2014, 25 projects were approved, representing a total investment cost of about
EUR 6.3 billion with an EU grant contribution of just over EUR 190 million.

Of the 25 projects, 9 were regional (7 involved the whole region and 2 focused on Central America). The other 16 projects concerned nine individual countries: Nicaragua, Mexico, Chile, Paraguay, El Salvador, Peru, Bolivia, Brazil and Colombia.

In the period 2010-2014, LAIF projects focused on the following sectors:

- Water and sanitation (45%)
- Energy (25.1%)
- Environment (10.5%)
- Transport (9.5%)
- Social (3.7%)
- Private sector (3.6%)
- Multi-sector (2.6%)

Almost all LAIF projects involved at least one European Finance Institution and at least one Latin American Regional Development Bank in Latin America, demonstrating LAIF’s ability to act as a catalyst for concrete EU-Latin America cooperation and its potential for creating constructive synergies.

The 25 projects benefiting from LAIF funding will leverage about EUR 6.3 billion of total investments from other donors or national and international financing institutions. This entails that LAIF has leveraged EUR 33 for every Euro of support provided.

**SOME EXAMPLES OF LAIF PROJECTS**

- **Extension of the existing hydro-power plant «S de Noviembre» in El Salvador**
  The goal of this project is the extension of the existing hydro power plant from 99 to 180 megawatts, which will increase the production of electricity from renewable energies. Alongside contributing to environmental protection by saving over 90,000 tons of CO₂, the project will support the improvement of El Salvador’s energy infrastructure and boost the amount of electricity produced from renewable sources.
  
  **Total cost: EUR 132 million**
  **LAIF grant: EUR 6 million**

- **Integrated water resources management (IWRM) in Colombia**
  The project aims to support the Colombian government further develop its policy for integrated management of water resources and particularly to accompany the implementation of its hydrologic plan for 2014.

  **Total cost: EUR 143 million**
  **LAIF grant: EUR 4.5 million**