

Brussels, 16 November 2007

## **The Commission and the Inter-American Development Bank reinforce co-operation to help development in the region**

***The European Commission and the Inter-American Development Bank will sign a Memorandum of Understanding to develop common policy priorities and strategies on 19 November in Brussels, with a view to promoting the social and economic development of Latin America. The Memorandum's priorities focus on social cohesion and poverty alleviation, regional integration, renewable energies, climate change and statistics. Commissioners for External Relations and Neighbourhood Policy Benita Ferrero-Waldner and for Economic and Monetary Affairs Joaquín Almunia will sign on behalf of the Commission and President Luis Alberto Moreno on behalf of the Bank.***

This new Memorandum of Understanding will enhance the existing cooperation between both parties in order to develop common approaches to policy. It provides a strategic framework for co-operation at all levels for the next five years. Social cohesion remains at the core of the co-operation between the European Commission and the Inter-American Development Bank in this region which has record levels of inequality and a substantial share of its people living below the poverty line. The Bank participates for example in the Commission's EUROsociAL programme. But other increasingly important areas of co-operation, such as renewable energies and climate change, are also being emphasized.

The European Commission and the Inter-American Development Bank enjoy a long standing relationship with regard to co-operation in Latin America. As significant actors in the field of development co-operation, both institutions have maintained steady contact and co-ordination. These exchanges became more and more regular and systematic and led to the signature of a Memorandum of Understanding in 2002 and subsequently to an increase of dialogue and collaboration. The new Memorandum of Understanding provides an update of the 2002 Memorandum and sets out the priorities for cooperation between the European Commission and the Inter-American Development Bank.

The EU is an important economic and political partner for Latin America; it is the leading donor in the region, second foreign investor, and second most important trade partner. The Inter-American Development Bank is the largest financial provider of loans in Latin-America and the Caribbean. In line with the 2005 Paris declaration on harmonisation of donor aid, the European Commission is committed to coordination with other donors and with international financial institutions. The Commission also coordinates with other regional development banks.

The Inter-American Development Bank also signed in December 2004 a Memorandum of Understanding with the European Investment Bank to reinforce cooperation in the provision of financing for regional infrastructure development in Latin America.

For more information on the relations between the EU and Latin America  
[http://ec.europa.eu/external\\_relations/la/index.htm](http://ec.europa.eu/external_relations/la/index.htm)