

IDB May Finance Biodiesel and Ethanol Production in Brazil

Contributed by Carolina Pimentel
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Brazilian President Luiz Inácio Lula da Silva asked the Inter-American Development Bank (IDB) to study the possibility of financing infrastructure projects and biodiesel production in Brazil.

Thursday, February 16, in Brasília, Lula and IDB president Luis Alberto Moreno signed an agreement to hold the 47th IDB Governors' Assembly in Belo Horizonte, Minas Gerais, on April 3-5.

During the Assembly the Brazilian government hopes to sign an agreement with the bank to fund the Pro-Cities program, which will encompass urban infrastructure projects in Brazilian municipalities.

The Minister of Planning, Paulo Bernardo, who took part in the meeting between Lula and Moreno, explained that the program is nearly ready and should receive resources on the order of US\$ 400 million.

"Our expectation is that, at the annual Assembly in April, we can sign an agreement that will make it possible to initiate the activities of the Pro-Cities program," he said.

According to Bernardo, Lula and Moreno discussed the IDB's participation in funding major transportation and infrastructure projects in the country, such as the construction of the Madeira River hydroelectric plant, in the northern Brazilian state of Rondônia, as well as public/private partnerships.

Lula also proposed that the bank give backing to biodiesel projects to produce fuel from oilseed plants in Brazil and the rest of Latin America.

In a press conference after the meeting, Moreno declared that the proposals will be analyzed. He underscored that one of the bank's priorities is to finance infrastructure projects and projects to exploit South America's energy potential.

According to the bank president, many countries in the region are interested "in taking a closer look" at what Brazil is doing in the area of biodiesel and alcohol fuel.

He also said that the bank is examining the possibility of providing funds for the approximately 10 thousand kilometer-long natural gas pipeline that will link Brazil, Argentina, and Venezuela.

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