

## Lula Gives the IDB Lots of Ideas on How to Help Brazil

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Brazil's President Luiz Inácio Lula da Silva asked Thursday, February 16, the Inter-American Development Bank (IDB) to study the possibility of financing infrastructure projects and biodiesel production in Brazil.

IDB president Luis Alberto Moreno currently visiting Brazil, signed an agreement with President Lula to hold the 47th IDB Governors' Assembly in Belo Horizonte, Minas Gerais, next 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.

Brazil's 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 of almost 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 by producing 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 10.000 kilometer-long natural gas pipeline that will link Brazil, Argentina, and Venezuela.

A meeting of the governors of the Inter-American Investment Corporation (IIC) will be going on at the same time as the IDB's Governors' Assembly in Belo Horizonte. This meeting will discuss ways to promote the development of small and medium-sized firms and capital markets in Latin America.

The IDB currently finances 47 projects in Brazil. The areas that receive the biggest investments are: transportation (23.9%), reform of the State (13.1%), education (8.6%), and housing (6.1%). The bank's total investments in Brazil are in excess of 7 billion US dollars, according to Brazil's Ministry of Planning.

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