**PROJECT ABSTRACT**

**La Internacional**

**(EC-L1063)**

**Project Description**

La Internacional S.A., and Ecuadorian producer of denim, has planned a production capacity expansion in 2010-2011. In order to assist La Internacional carry out its strategy, the proposed IDB A/B loan of US$25 million includes 2 components: (i) financing of capital investments totaling US$19.4 million in 2010 and 2011; and, (ii) debt refinancing and working capital financing of US$5.4 million .

**IDB Participation**

IDB financing will provide a tenor longer than the one available in the commercial banking market and will mobilize additional commercial financing through a B-Loan. In addition, the IDB through a technical cooperation financed the execution of an energy efficiency auditing of the industrial plant and technical analysis of the mini hydro electrical plant. These two initiatives will improve the energy efficiency and the energy matrix of the industrial plant, which will result in operational improvements. Moreover, the funding of the project will support economic integration throughout the region, and the technology and know-how transfer from the parent company in Brazil (Vicunha Têxtil) to La Internacional.