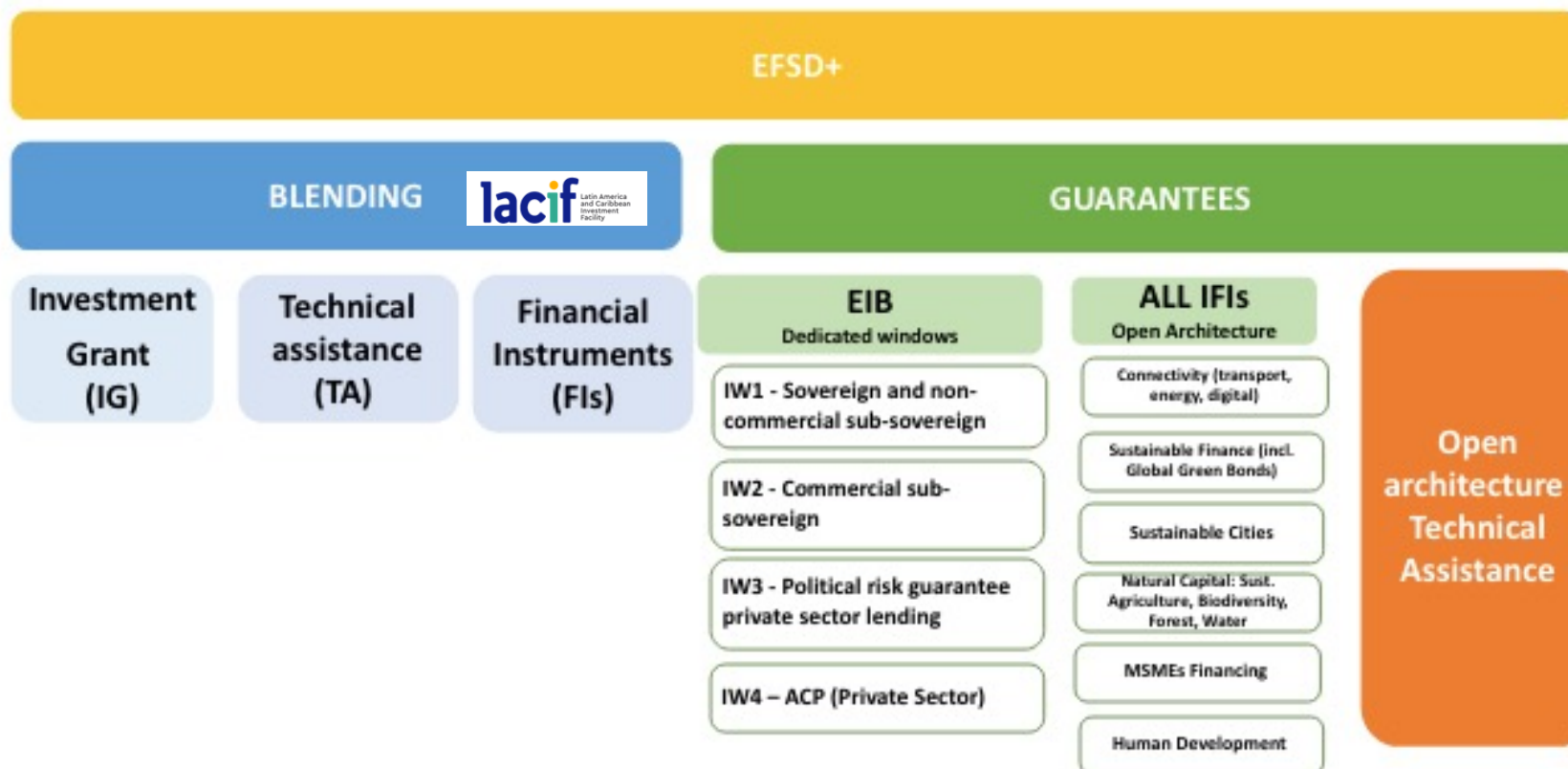




Blending in practice: two examples from Latin America and the Caribbean

Horst Pilger – Head of Sector, DG INTPA.B1 – European Commission

Anna Guijarro – Programme Assistant, DG INTPA.B1 – European Commission



- » **LACIF** stands for **Latin America and Caribbean Investment Facility**
- » **LACIF** is one of the EU's regional blending facilities, such as NIF, AIF, AfIF, and others
- » Strategic combination of EU grants with loans from Financial Institutions to partner countries to catalyse investments.
- » **LACIF** purpose is to leverage public and private financing to achieve the Global Gateway Investment Agenda in Latin America and the Caribbean





LACIF's objectives

To foster sustainable and inclusive economic, environmental, and social development, through mobilising investments in key sectors of the **Global Gateway strategy**.

This is achieved through investments in the following sectors: MSMEs; Connectivity, Natural Capital, Sustainable Cities, Human Development and Sustainable Finance.

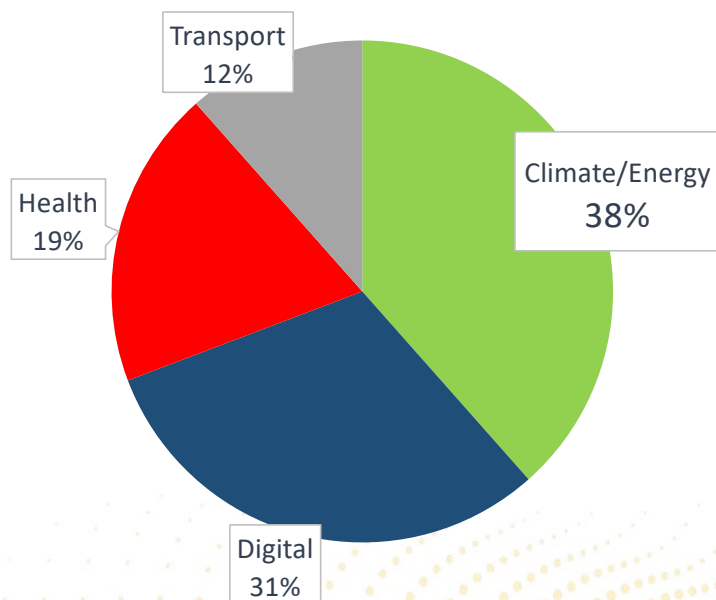
» **All actions supported should be compatible with the objectives of the Paris Agreement and the “Do No Harm” principle.**

Additionality: positive results the EU contribution achieved beyond what could have been achieved without the grant (Increase financial return, or leverage of policy reforms)

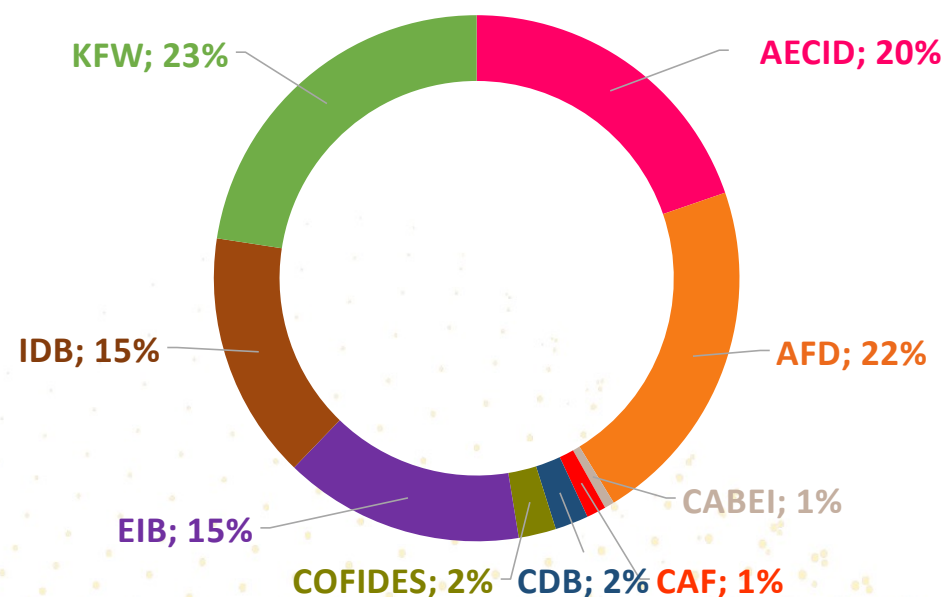


Programming	Design	Implementation and monitoring	Evaluation
<ul style="list-style-type: none"> • Basis: NDICI Programming exercise 2021-2027 • Budget allocated through MIPs and ReMIP (including EFSD+) • LACIF: currently EUR 151 million as total allocation • Consultation and Policy Dialogue with CSO/LA 	<ul style="list-style-type: none"> • IFIs present proposals to EUDEL and HQ aligned to policy priorities • Proposals are assessed following blending approval process (EU, IFIs - peer review and MS) • Consultations with stakeholders (incl. CSO and LA) carried out at country level led by IFIs and EUDELs 	<ul style="list-style-type: none"> • Implementation: Done through delegated cooperation to IFIs. • Monitoring: regular reporting and monitoring missions, ROMs, etc. CSO's able to monitor procurement and loan implementation (IFI website) • LACIF website. 	<ul style="list-style-type: none"> • Provide insights from the local level (i.e. regarding social and environmental standards) on the results of the project • Interviews during the programme evaluations (last one in 2022 of LAIF)

% of LACIF Projects per GG sectors since 2022



LACIF Portfolio by lead financial institution since 2010



From 2010-2024, blending in LAC has mobilised EUR 727.7 Million in EU grants to support projects for a total investment of EUR 14.9 Billion.

Supported 88 Projects since 2010: 57 projects ongoing, 31 projects completed, 16 projects in the pipeline (additional EUR 89.5 Million EU contribution)

LACIF supports *LAIF City Life: Sustainable Cities Projects Identification Strategic Facility*.

- Identification and design of projects aimed at increasing the sustainability and resilience of cities in Latin America, to be implemented by local authorities

Additionality

Financial: to channel resources to secondary cities that are less attractive from an investment point of view (or compared to big infrastructure projects). The studies set the ground to make investment more attractive.

Development: Medium-sized cities often have limited resources to deal with unplanned growth, social segregation, employment, service provision and the effects of climate change.

Leading financial institution: Spanish Agency for International Development Cooperation (AECID)

Total cost: €300 m

EU contribution: €5.2 m

Website: www.laifcitylife.aecid.es

Duration: 2019-2025

Geographical scope: Regional (Latin America)

Global Gateway areas: Climate and Energy, Transport, Education and Research





Example 1: Improving cities in Latin America - LAIF CITY LIFE



Involvement of Civil Society: Urban Life Award/*Concurso Vida Urbana*

CSO present proposals that contribute to the sustainable development of their cities and wellbeing of their inhabitants.

- **Inclusive:** Promotes active participation of citizens and community network
- **Transversal:** addresses environmental impact, climate change, local economic development, gender and human rights
- **Rewarded:** Capacity Building (participation in training), institutional support (for the proposal to be materialized at local level) and cash prize



Involvement of Local Authorities: Main beneficiaries of the programme

- The operation aims to support local authorities in several Latin American cities to promote sustainable urban transformation:
 - financial and technical support to identify potential investments and design financeable, sustainable urban interventions
 - Institutional capacity building to selected local authorities (courses) and virtual platform for knowledge exchange
- Action aligned with EU Council Conclusions on "The EU's Cooperation with Cities and Towns and Local Authorities in Third Countries"



Cartago, Costa Rica

housing solutions and employment programs, environmental recovery by creating green areas



Ciudad de Guatemala, Guatemala

improvement of solid waste management, the provision of water and sanitation, the provision of buildings for social and public use



Comayagua, Honduras

Environmental recovery of the degraded areas of the Chiquito River in Comayagua

LACIF supports the project “**Post-Disaster and Climate Change Resilience Framework Loan in Dominican Republic**” aiming at the reconstruction of infrastructures damaged by hurricane Matthew in October 2016 and flash floods in November 2017.

- Restoration or new construction of social and basic infrastructures, such as roads, bridges, hydraulics, housing and urban infrastructure.
- Interventions prioritized according to social impact and contributions to restore livelihoods, reduce vulnerability and enhance resilience to disasters.
- Engagement of civil society helped towards mitigating risks by introducing participatory monitoring and social accountability to the project’s governance mechanisms.

Leading financial institution: European Investment Bank (EIB)

Total cost: € 59.7 m

EU contribution: €17.4 m

Website: www.eib.org/en/projects/all/20170112

Duration: 2018-2024

Geographical scope: Dominican Republic

Global Gateway areas: Climate and Energy



Additionality

- EIB was requested by the government of Dominican Republic to provide finance to the integrated reconstruction programme.
- An effective Technical Assistance support to the project was crucial to cope with early recovery and reconstruction, particularly in critical areas such as **capacity and institutional building, project identification and screening, compliance with social and environmental standards, improved transparent and accountable governance.**
- The investment grant significantly increases access to housing for the populations living in the most vulnerable situations, which without the EU would not have other alternatives available.





More information:

<https://europa.eu/capacity4dev/policy-forum-development>
<https://www.eulaif.eu/>
<https://laifcitylife.aecid.es/>
[POST-DISASTER AND CLIMATE CHANGE RESILIENCE FL \(eib.org\).](#)