



EU regional investment facilities

PFD meeting (Bangkok, June 25)

DEVCO C3



MASSIVE
developmental challenges



HEAVILY
constrained public funds



LEVERAGE EFFECT
of grants to mobilise additional financing

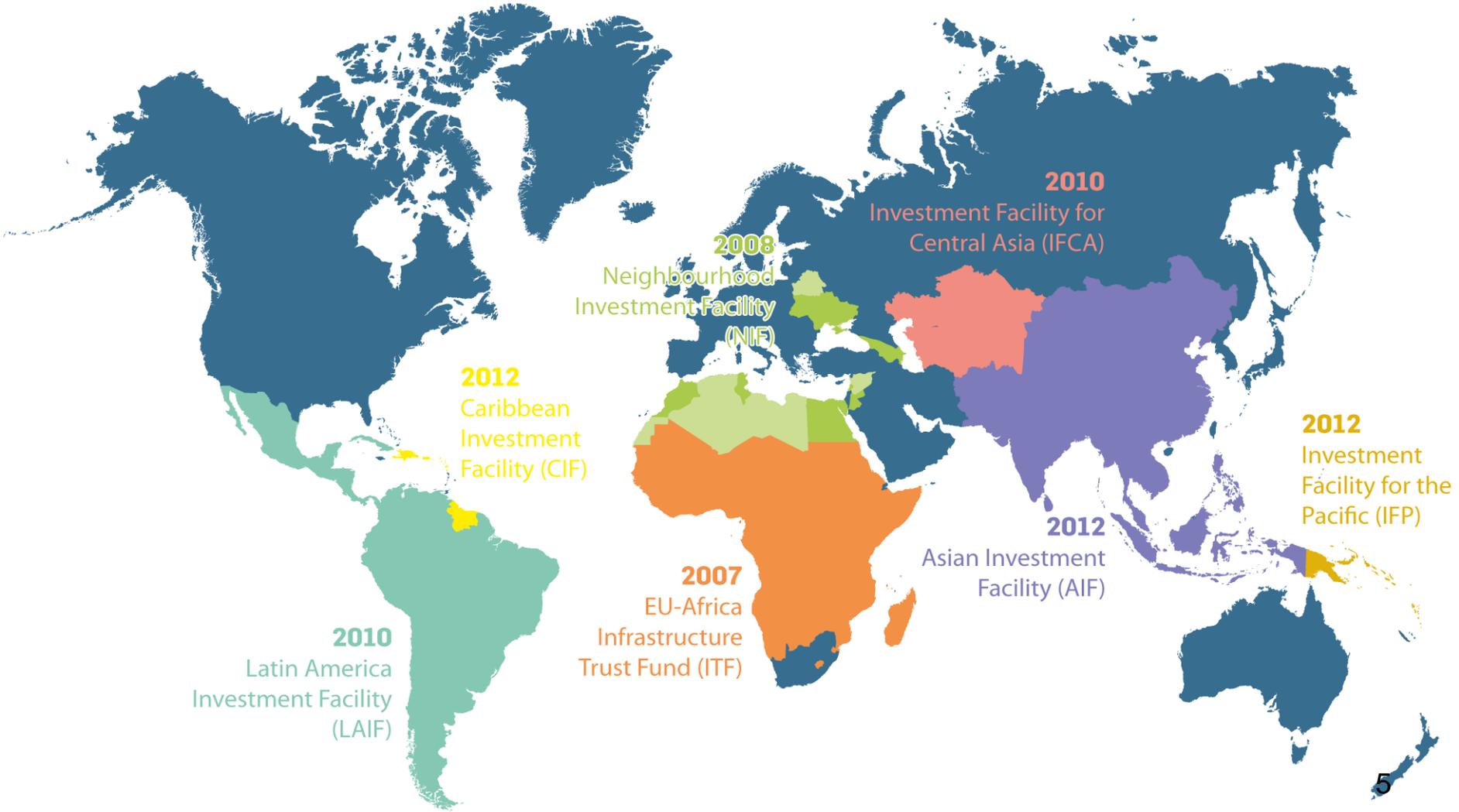
Blending

The use of a limited amount of grants to mobilise financing from partner FI's and private sector and enhance the development impact of projects



Blending reflects specific goals

- 1. FINANCIAL:** mobilize public and private resources for enhanced development impact and do more with less (financial constraints)
- 2. NON-FINANCIAL:** improve project sustainability, quality, innovation and speed
- 3. POLICY:** support reforms in line with EU policies
- 4. AID EFFECTIVENESS:** improve cooperation between European and non-European aid actors (donors and financial institutions)
- 5. VISIBILITY:** provide more visibility for EU development funding



Some figures on the Blending Facilities

FACILITY	ITF	NIF	LAIF	IFCA	AIF	CIF	IFP	TOTAL
Year established	2007	2008	2010	2010	2011	2012	2012	
Region	Sub-Saharan Africa	ENPI countries	Latin America	Central Asia	Asia	Caribbean	Pacific	
Cumulative envelopes (2007-2013) - €m	811*	867**	197	85	60	70	10	2190
2014 envelope	-	362	30	20	20	-	-	432

* Including € 163 m from Member States

** Including € 78 m from Member States
Data up to 31/12/2014



Leveraging resources and expertise, enhancing coordination

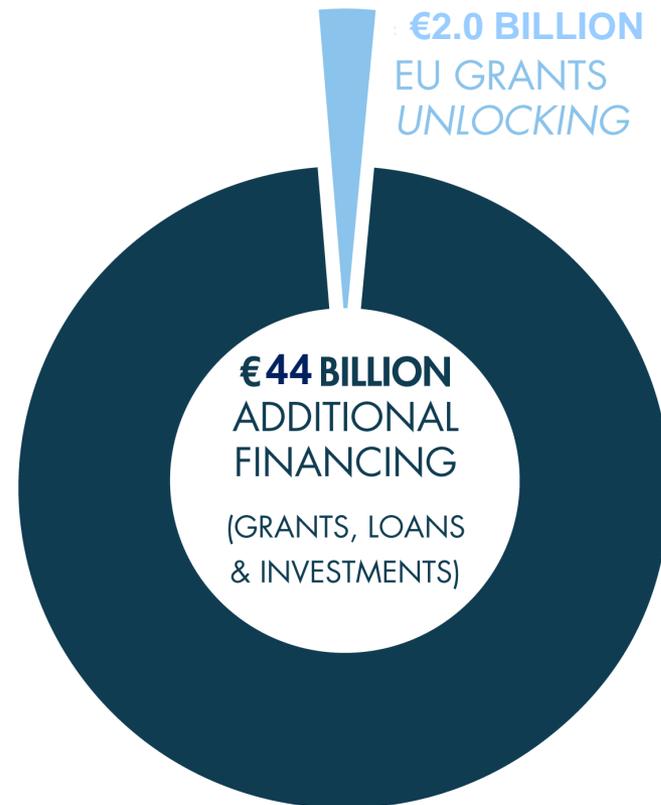
EIB EBRD AFD KFW IDB
CEBA ECID CDP AFDB
CDB COFIDE SSO FID
CAF BIO DEGO eEB IFC
ADB BCIE FMO ...

Common Implementing Rules (CIR)

*"Financial instruments ... shall be, whenever possible, under the lead of the **EIB**, a **multilateral European financial institution**, such as the **EBRD**, or a **bilateral European financial institution**, e.g. bilateral development banks, possibly pooled with additional grants from other sources."*

LEVERAGED RESOURCES

2007- 2014



Nearly €20 billion are provided by European finance institutions

Future of blending



Extending partnerships

Expanding sectors

More private financing

More use of innovative financial tools

- *Guarantees*
- *Risk capital*
- *Other risksharing mechanisms*



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Central Asia Investment Facility (IFCA)

Kazakhstan

Kyrgyzstan

Uzbekistan

Tajikistan

Turkmenistan



Launched in 2010

Asian Investment Facility (AIF)

Afghanistan
Bangladesh
Bhutan
Cambodia
China
India
Indonesia
Laos
Malaysia



Maldives
Mongolia
**Myanmar/
Burma**
Nepal
Pakistan
Philippines
Sri Lanka
Thailand
Viet Nam

Eligible Financial Institutions

IFCA

- Full members: AECID, AFD, EIB, EBRD, KfW, NIB, OoEB, SIMEST, SOFID
- Observers: ADB+ WB

AIF

- Full members: AECID, AFD, EIB, EBRD, KfW, NIB, OoEB, SIMEST, SOFID
- Observers: ADB

Revised governance

- Decision making on project level organised in a **two level structure**
 - **Technical meeting** where project proposals and project pipelines are screened and discussed (EC internal and FI peer review)
 - New: strong focus on the pipeline of projects
 - **Board** that provides an opinion on projects proposals

Revised governance

- **Boards** will meet **back-to-back** with relevant DCI/EDF/ENI Committee
- Ideally only 1 Board presentation/**opinion**
- Applications will need a letter of support from Head of EUD before submission to Board

- A **Commission decision** needs to take place after Board OPINION (to meet Financial Regulation, as the beneficiary FI is not known when the annual budget allocation is approved). Contracting can start in parallel.

- Projects will need a letter of support from host Government prior to contract signature

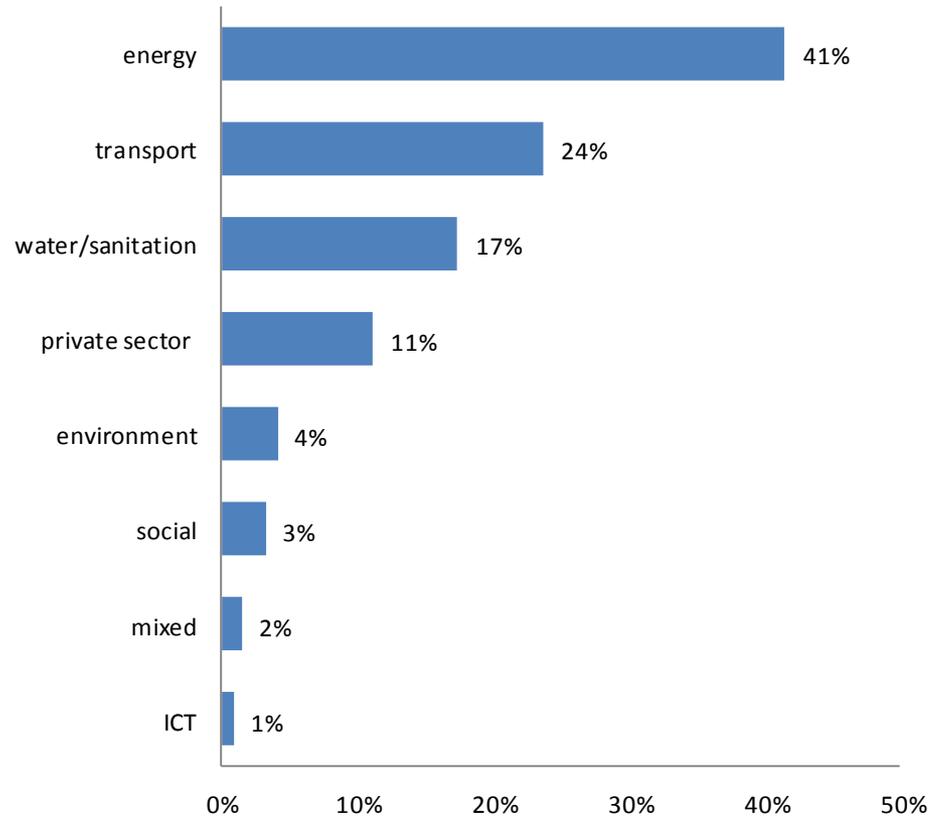


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BLENDING FACILITIES IN GENERAL

Sectors covered

Figures since
2007

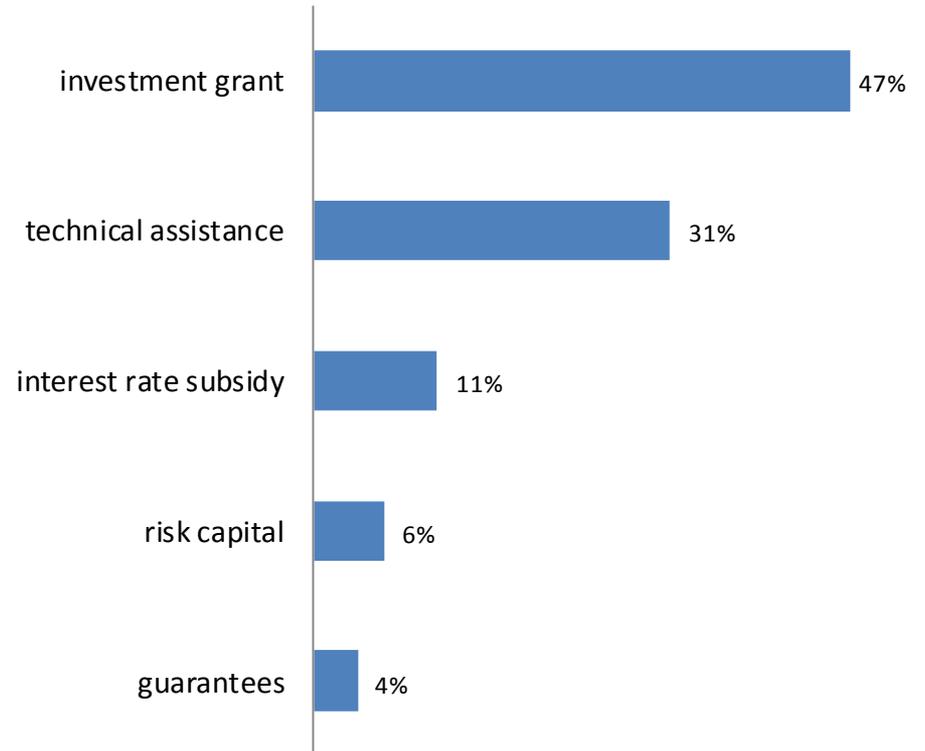




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BLENDING FACILITIES IN GENERAL

Types of operations



BLENDING IN THE REGION (1/2)

- IFCA
- Between 2010 and 2015, **€106Mio** have been allocated to IFCA.
- For 2015-2020 40M€ per year
- 16 contracts with **IFCA-eligible European financial institutions** have been signed (€81.6Mio)
- **Water management, Energy and support to SME**

BLENDING IN THE REGION (2/2)

- AIF:
- Between 2011 and 2015, **€162Mio** allocated
- 13 contracts with **European financial institutions** have been signed (€62.3Mio)
- **Energy** (€25m) and **environment** (€21 m) = more than 2/3 of the total amount
- For 2016-2020 +/- €45Mio/year

THANK YOU !
comments / questions?

