

# EU Blending framework

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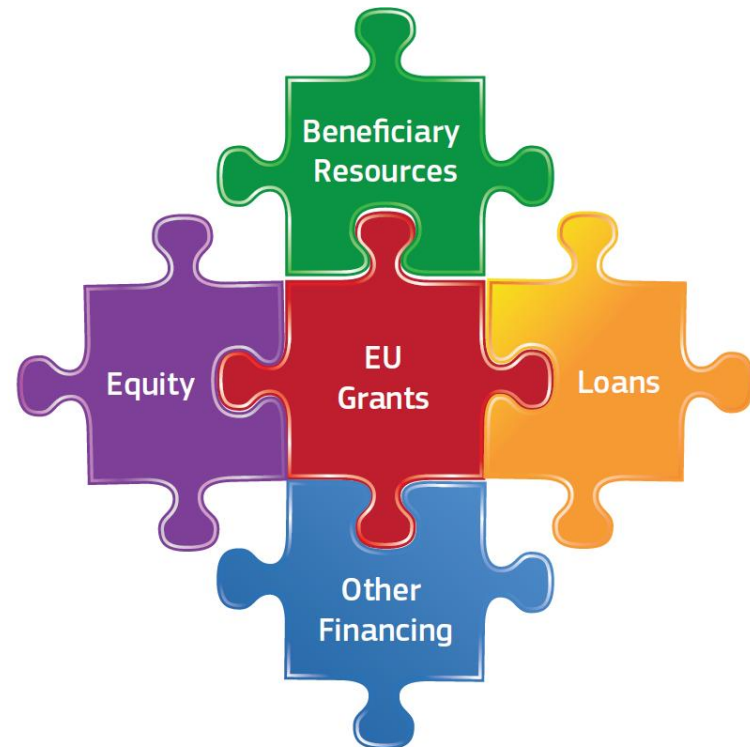
## *What is blending?*

**Blending is the combination of EU grants with loans or equity from public and private financiers.**

Instrument for achieving EU external policy objectives. Complementary to other aid modalities. Following relevant regional, national and overarching policy priorities.

EU grant can take different forms:

- **Investment grant & interest rate subsidy**
- **Technical assistance**
- **Risk capital**
- **Guarantees**

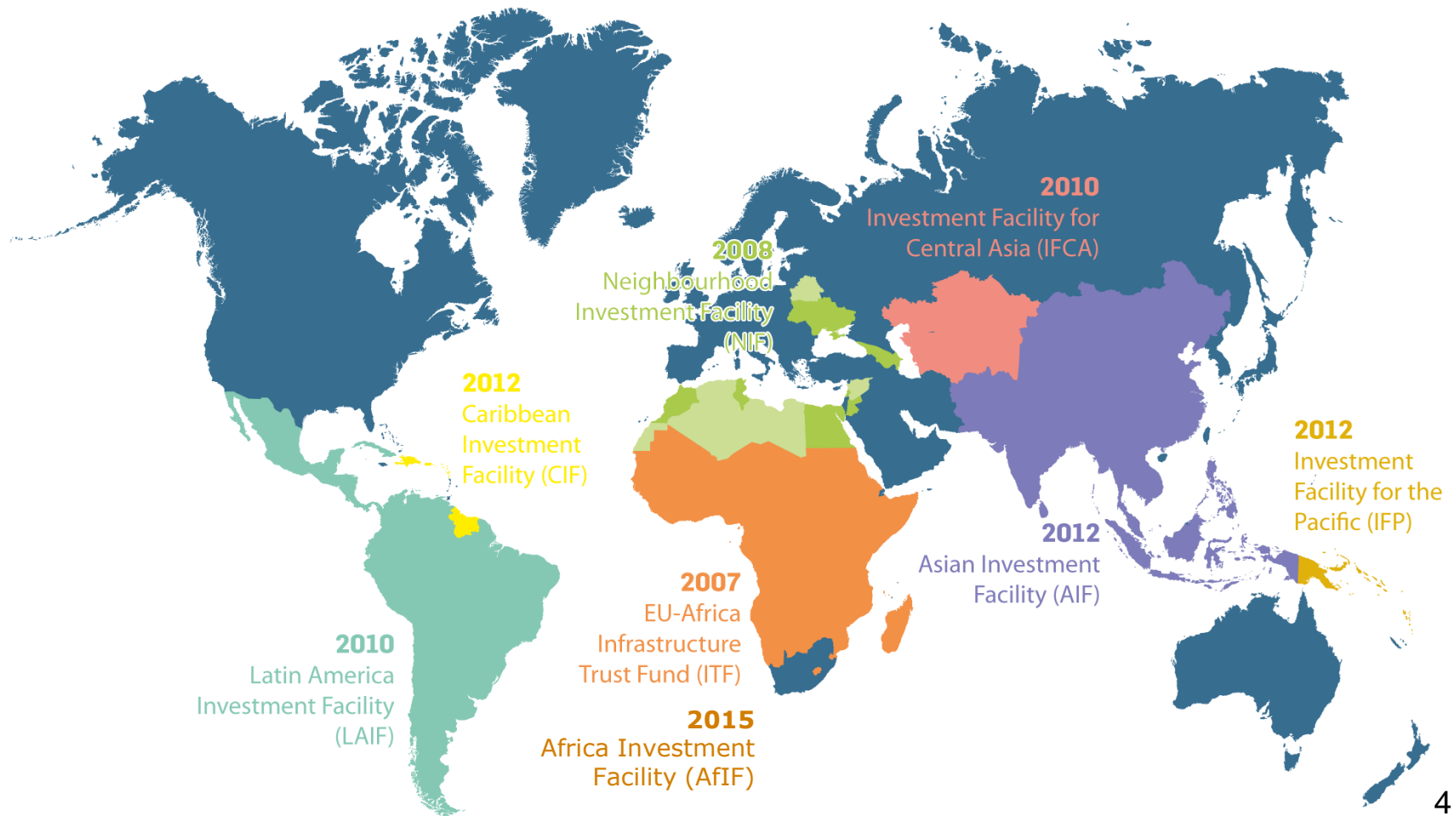


## Objectives

- **Financial** Leverage additional public and private resources for stronger development impact.
- **Non-financial** Improve project sustainability & speed. More financial discipline & ownership.
- **Policy** Support to reforms. More weight in policy dialogue.
- **Cooperation & coordination** between European and Non-European aid actors (donors and finance institutions).
- **Increased EU visibility**

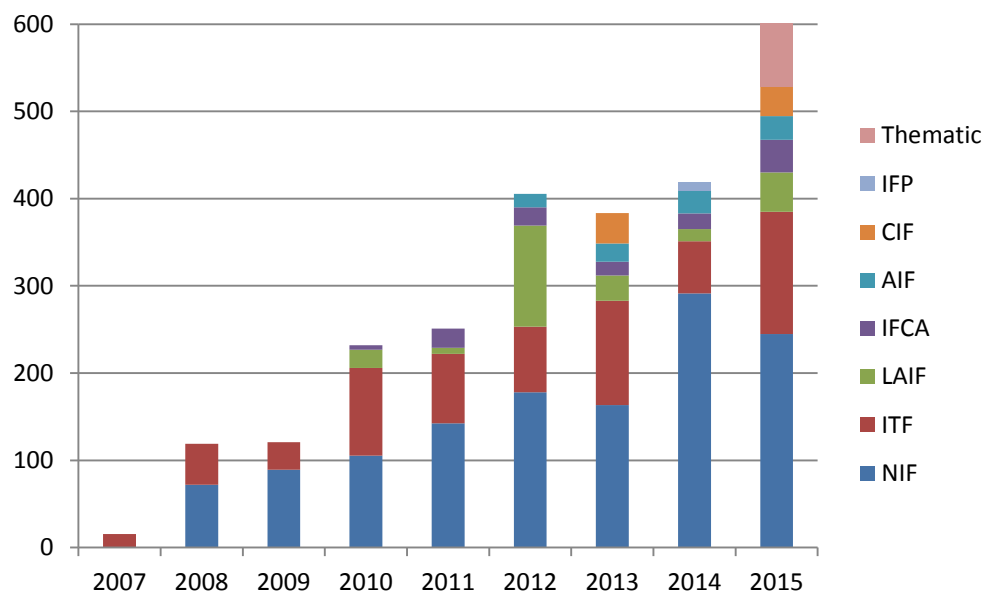


## ***EU Blending facilities regional coverage***

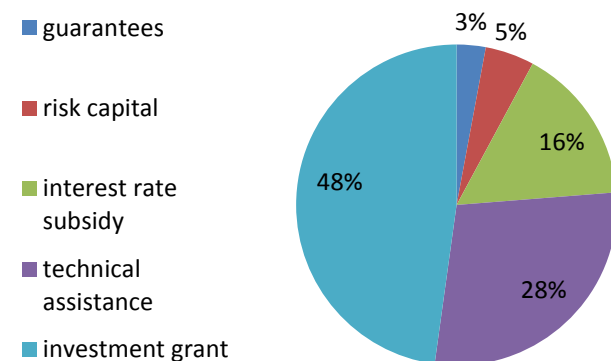


## 2007-2015 Blending operations

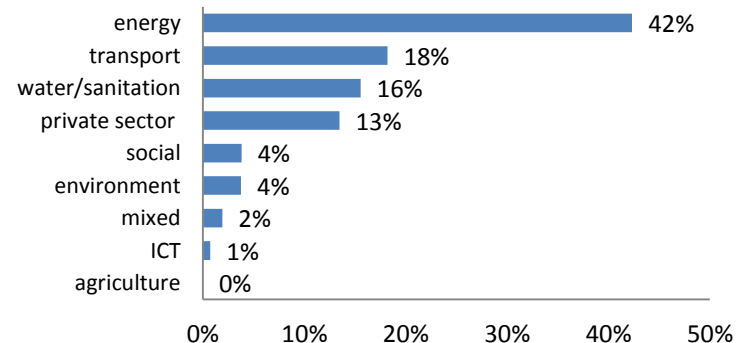
Annual grant approvals (in € million)



Grant approvals by type (in %)



Grant approvals by sector (in %)



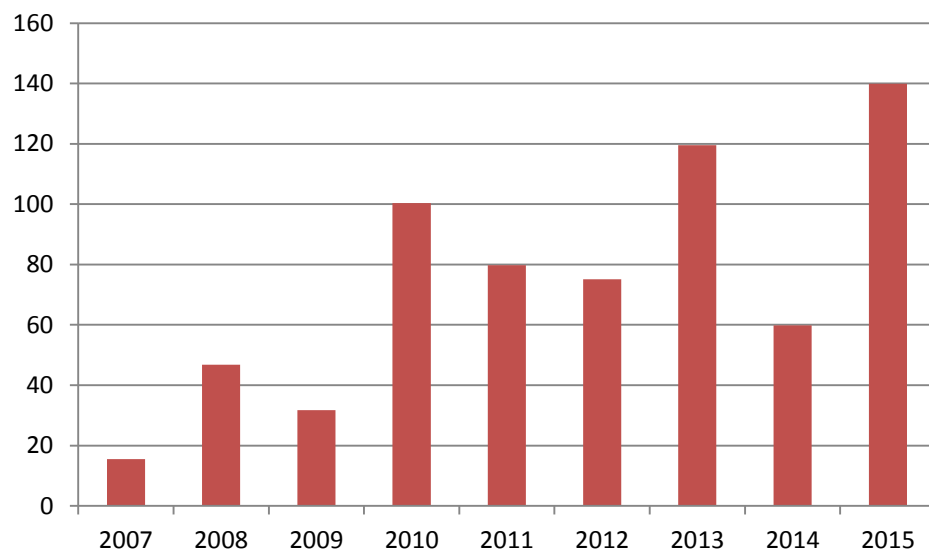
**Allocated  
resources**  
c. € 2.7 billion

**mobilise  
EFIs resources  
of  
€ 23 billion**

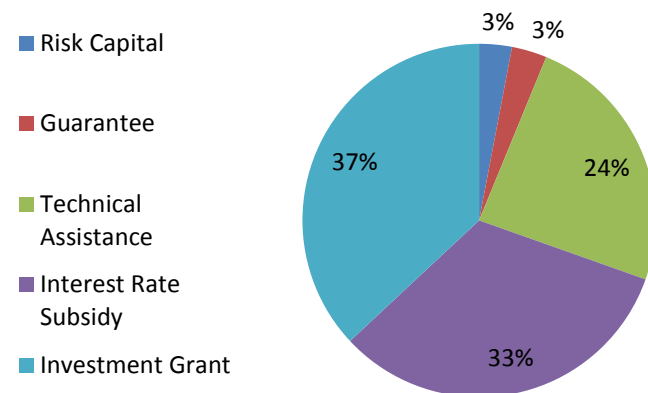
**support  
272 projects with  
total est. budget of  
€ 50 billion**

## 2007-2015 AITF-Blending operations

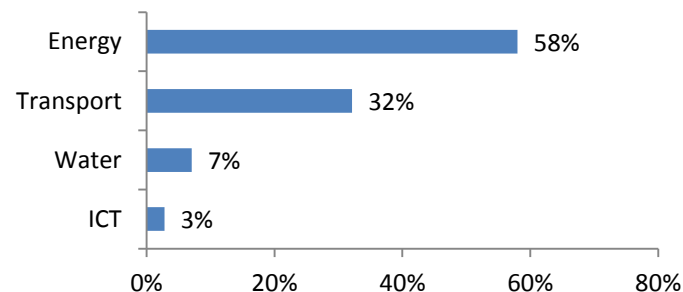
Annual grant approvals (in € million)



Grant approvals by type (in %)



Grant approvals by sector (in %)



**Allocated  
resources**  
c. € 660 million

**mobilise  
FIs resources  
of  
€ 4.6 billion**

**support  
projects with  
total est. budget of  
€ 9.5 billion**

- **Blending was 4% of EU programmes 2007-13**
- **This may grow to 10%, depending also on the use of blending in the National Indicative Programmes**

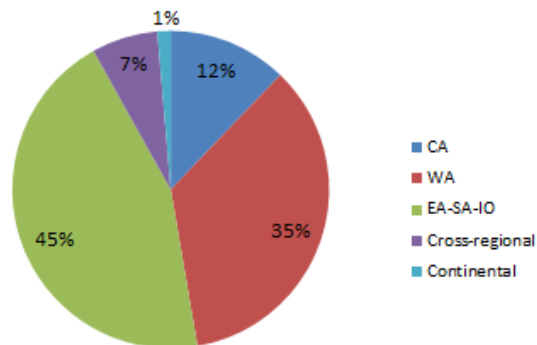
	<b>LAIF</b>	<b>AIF</b>	<b>IFCA</b>	<b>NIF</b>
<b>Indicative 2014-2020 allocation</b>	€ 320 million	€ 320 million	€ 140 million	€ 2.1 billion (incl. NIP)

	<b>AfIF</b>	<b>CIF</b>	<b>IFP</b>
<b>Indicative (Regional Indicative Programme) 2014-2020 allocation</b>	€ 1 billion	€ 135 million	€ 20 million

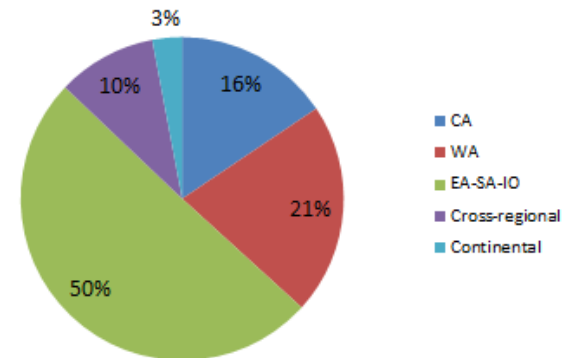
## ➤ *AfIF: 2016 resources and pipeline analysis*

Expected available resources (2016)	496 M
<b>RIP EA-SA-IO</b>	<b>200 M</b>
<b>RIP CA</b>	<b>20 M</b>
<b>RIP WA</b>	<b>100 M</b>
<b>NIP Madagascar</b>	<b>156 M</b>
<b>NIP Kenya (Commission decision already taken)</b>	<b>20 M</b>

**Number of projects by region**



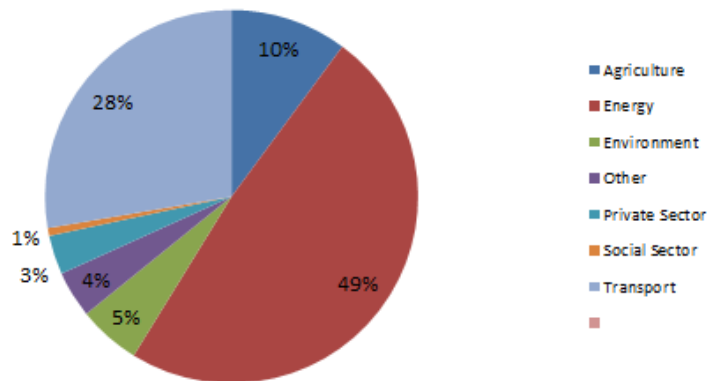
**Total grants envisaged by region**



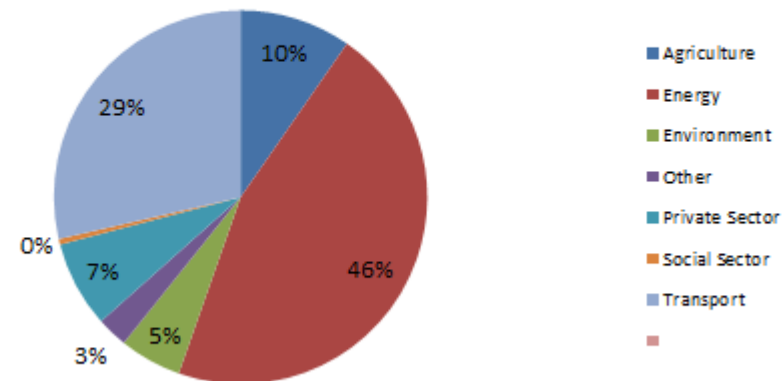


# Africa Investment Facility Pipeline analysis per sector

Number projects envisaged per  
sector

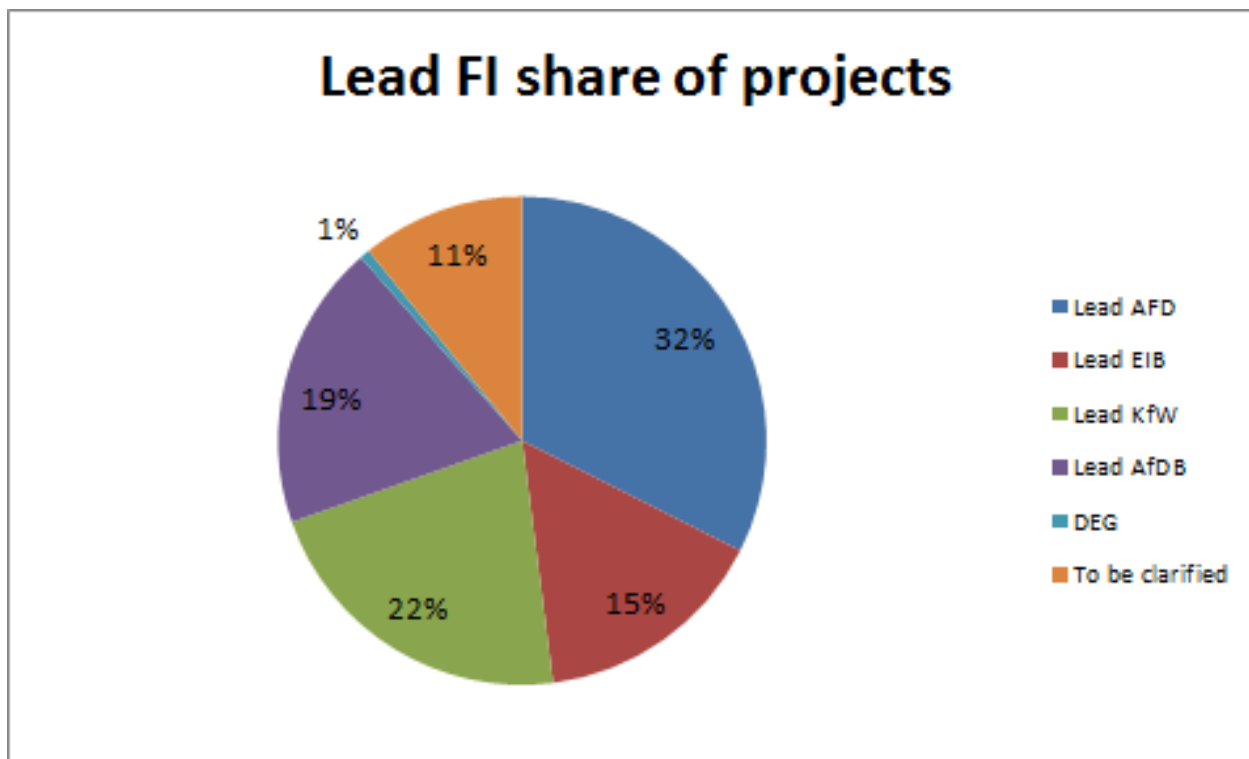


Total grants envisaged per sector

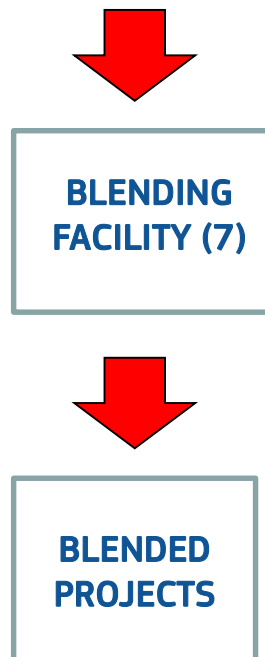


# Africa Investment Facility

## Lead FI: share of projects in pipeline



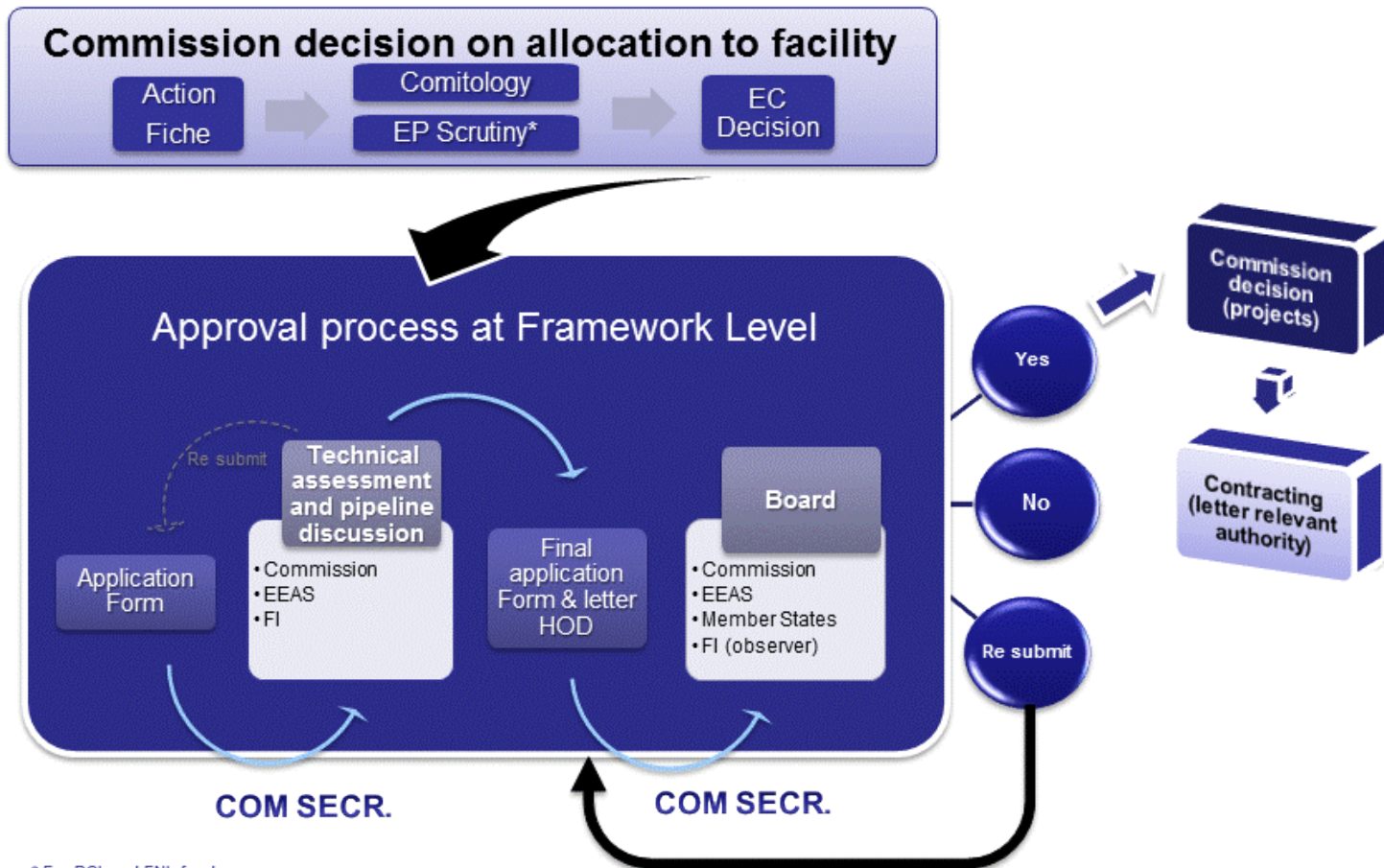
## *Two 'levels' of Commission financing decisions*



EU funding to the 7 blending  
Facilities through AAP, based on  
sectors and priorities defined in  
the programming exercise

Facility and Partner FI  
funding of specific  
projects via the project  
cycle

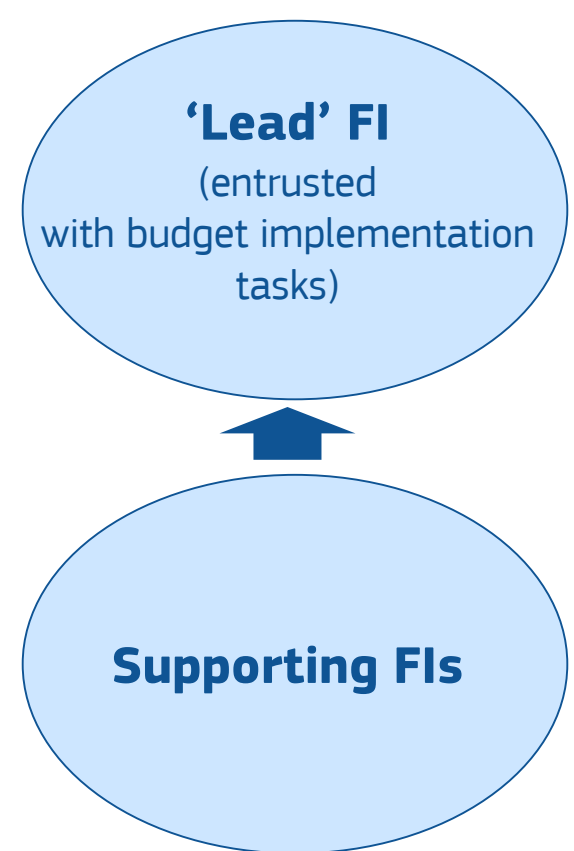
## *With different documents & inputs*



\* For DCI and ENI funds

### ***3 'types' of partners, always a LEAD FI***

- a) Multilateral European Finance Institutions (e.g. EIB, EBRD, ...).**
- b) European National development finance institutions from Member States (e.g. AFD, KfW, AECID, CDP, ...)**
- c) Regional and other multilateral banks: can act as lead (e.g. AfDB in ITF; laDB, CDB in CIF), only as co-financiers in others.**



## *The Facilities' project cycle has 7 steps*

### The Blending Facilities project cycle



Identification	Preparation	Peer review & screening (Technical meeting)	Board Opinion (Board meeting) & Com Decision	Contracting	Monitoring	Evaluation
Generating the pipeline'– ideally so there is a chance to select from multiple projects	Ensuring that the project meets criteria and info is complete	Testing the project to see if it meets all the standards	Recommend whether to approve the grant – and on which conditions, followed by formal COM decision	Getting going and implementing in compliance with regulations	Obtaining the right information to 'steer' and manage	Checking to see if the objectives were met and feeding findings into future designs

# THANK YOU!

For more information, consult DG DEVCO's blending webpage:

[https://ec.europa.eu/europeaid/policies/innovative-financial-instruments-blending\\_en](https://ec.europa.eu/europeaid/policies/innovative-financial-instruments-blending_en)