EU guarantee to the European Investment Bank (EIB) against losses under loans and loan guarantees for projects outside the Union

2010/0101(COD) - 15/12/2014 - Follow-up document

The Commission has presented its first report on the work carried out by the **"EU Platform for External Cooperation and Development"** of 14 December 2012 - date of its implementation - up to 14 December 2012. Blending is recognised as an important vehicle for leveraging additional resources and increasing the impact of EU aid.

The platform is made up of: i) a **Policy Group** consisting of EU Member States representatives, EEAS and the Commission, with the EP invited, while other participants may be invited as observers and ii) the **Technical Groups** (TGs) consisting of the Commission, EEAS, FIs and a number of Member States representatives. Representatives of the EP also participate in the technical work of the Platform.

Up to date, five specific TGs were established, complemented by several cross-cutting TG meetings. These were focused on the following objectives:

- **TG 1**: "Review of existing blending mechanisms" - **TG 2**: "Enhancement of blending activities"- Results Measurement Framework (RFM) - **TG 3**: "Improvement of Processes" - **TG 4**: "Promotion of Financial Instruments" - **TG 5**: "Contracting, monitoring and reporting".

- This technical work was complemented with **four workshops**: (a) on the issue of "Climate Change mainstreaming in blending facilities" (b) on "Debt sustainability" (c) on Blending and ODA, and (d) a roundtable with European Export Credit Agencies (ECAs).

The report's main conclusions are as follows:

1) The existing EU blending facilities show **positive signs** regarding performance in support of EU external policies

2) Technical work already carried out has resulted in an improved and harmonised Grant Application Form to be used by the various EU blending facilities. Detailed **Guidelines** have been developed to accompany the Application Form. The issue of debt sustainability was explicitly introduced and the on-going revision of the IMF framework will be followed up.

3) A **new results framework** has been developed and incorporated into the new Application Form and Guidelines. The Commission welcomes the Platform's efforts to keep ensuring a well-structured, transparent and effective project selection process, with efficient contractual processes and proper results-oriented monitoring and reporting procedures, adequately based on relevant and up-to-date legal requirements, and aligned with EU external cooperation policies priorities and objectives.

4) The Platform identified **key areas** where the increased use of specific financial instruments should be further explored:

- guarantees, equity and other risk sharing instruments for infrastructure projects and micro-SMEs;

- new sectors: Guarantees and risk sharing mechanisms for agriculture, social and other sectors.

5) The Platform agreed to **the organisation of four blending "frameworks" according to the financing instruments** (European Development Fund (EDF) – European Neighbourhood Instrument (ENI) – Development and Cooperation Instrument (DCI) – Instrument for Pre-Accession Assistance (IPA). The Commission supports the further streamlining of blending facilities into four blending frameworks.

6) **Coordination and co-operation** among European and non-European FIs remains of critical significance and for this reason, non-European FIs should be invited to attend relevant meetings as observers.

7) The EU Platform has clearly demonstrated its value in bringing together **a wide range of stakeholders** to exchange expertise on all aspects of blending in external cooperation.

Finally, the following issues have been identified and are already being addressed during 2014: i) Mobilisation of Private Sector Resources; ii) Best Practices and Opportunities in Climate Change Financing.