

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 ongoing 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.