



EUROPEAN COMMISSION

PRESS RELEASE

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## EU launches new Platform for blending funds in external cooperation

A new EU Platform which will provide recommendations and guidance on the use of blending in the external cooperation of the European Union, to unlock additional public and private resources and thereby increase the impact of EU external cooperation and development policy. Blending is a tool which combines EU grants with other public and private sector resources such as loans and equity in order to leverage additional non-grant financing.

Representatives from Member States, the European Parliament, the European External Action Services and the European Commission came together in Brussels for the start of this new **EU Platform for Blending in External Cooperation**.

In a joint statement of Commissioner for Development Andris Piebalgs, Commissioner for Enlargement and European Neighbourhood Policy, Štefan Füle and Commissioner for Economic and Monetary Affairs and the Euro, Vice-President Olli Rehn described the establishment of the Platform as an important step towards further increasing the effectiveness of aid delivered by the European Union through blending mechanisms. They underlined that making more strategic use of EU grant money and innovative financial instruments such as blending mechanisms could unlock additional financing for important investments in partner countries of the EU.

Commissioner for Development Andris Piebalgs, Commissioner for Enlargement and European Neighbourhood Policy, Štefan Füle and Commissioner for Economic and Monetary Affairs and the Euro, Vice-President Olli Rehn, said: *"The new Platform offers us an opportunity to further develop the partnership with European Financial Institutions and deepen cooperation with other international institutions. By standardising approaches and scaling up activities with partners there is the potential to reduce transaction costs of all involved, further improving the positive impact achieved in our cooperation activities with countries around the world."* They added: *"Blending has a positive effect on growth, jobs and people's daily lives and helps our partner countries to attract much needed investment. At a time of economic crisis, it's more important than ever to ensure that every cent of taxpayers' money goes to where it is most needed, and blending is an important way of helping us to achieve even more with our work."*

The new EU Platform will act as a major forum to build on the successful experience so far in this area and look at how to improve the quality and efficiency of blending mechanisms, taking due account of the policy frameworks that govern the EU relations with the different partner countries, notably EU Development, Neighbourhood and Enlargement policies. This includes promoting cooperation and coordination between the relevant actors, thereby increasing the impact and visibility of EU external cooperation.

Since 2007, the European Commission, together with Member States, has set up eight regional blending facilities, covering the entire region of EU external cooperation. €1.5 billion grants from the EU budget, the European Development Fund (EDF) and Member States have financed more than 320 operations of EU blending mechanisms. The EU grant contributions to individual projects have leveraged more than €20 billion of loans by eligible finance institutions, unlocking project financing of at least €45 billion, in line with EU policy objectives.

The work plan agreed for 2013 includes a review of the existing blending mechanisms and the development of a common results based framework to measure impact. Technical groups including the European Commission, the European Investment Bank (EIB), other European bilateral and multilateral finance institutions and those finance institutions which participate in the EU blending mechanisms, will work together on these issues sharing expertise and developing innovative new ideas for the future.

The European Commission set out its plans for blending in last year's 'Agenda for Change' communication (the European Commission's blueprint to refocus its work in order to make a difference where most needed).

#### **For more information**

Website of EuropeAid Development and Cooperation DG:

[http://ec.europa.eu/europeaid/index\\_en.htm](http://ec.europa.eu/europeaid/index_en.htm)

Website of DG Economic and Financial Affairs - ECFIN

[http://ec.europa.eu/economy\\_finance/financial\\_operations/index\\_en.htm](http://ec.europa.eu/economy_finance/financial_operations/index_en.htm)

Neighbourhood Investment Facility

[http://ec.europa.eu/europeaid/where/neighbourhood/regional-cooperation/irc/investment\\_en.htm](http://ec.europa.eu/europeaid/where/neighbourhood/regional-cooperation/irc/investment_en.htm)

EU-Africa Infrastructure Trust Fund

<http://www.eu-africa-infrastructure-tf.net/>

Western Balkan Investment Framework

<http://www.wbif.eu/>

Latin America Investment Framework

[http://ec.europa.eu/europeaid/where/latin-america/regional-cooperation/laif/index\\_en.htm](http://ec.europa.eu/europeaid/where/latin-america/regional-cooperation/laif/index_en.htm)

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