

Ad Hoc Expert Meeting on

**Addressing the Transport and Trade
Logistics Challenges of the
Small Island Developing States (SIDS):
Samoa Conference and Beyond**

11 July 2014

**Investment Facilities for the Caribbean and
the Pacific**

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Investment Facilities for the Caribbean and the Pacific

UNCTAD Ad Hoc Expert Meeting on « Addressing the Transport
and Trade Logistics Challenges of SIDS:
Samoa Conference and Beyond »

Geneva, 11 July 2014



BLENDING FACILITIES

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raisons, objectives
2. Sectors covered
3. Type of grant support
4. Governance structure
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Caribbean and the Pacific

INFRASTRUCTURES SECTORS

- **MASSIVE** developmental challenges
- **HEAVILY** constrained public funds
- **LEVERAGE EFFECT** of grants to unlock additional financing

OBJECTIVES OF BLENDING

- **FINANCIAL:** Increase financing by leveraging funding through the provision of initial financial resources to the CIF and IFP
- **NON-FINANCIAL:** Improve project sustainability. More financial discipline & ownership



SECTORS COVERED

- Transport (road, air and maritime)
- Energy
- Water and Sanitation
- Private sector growth (SME Support)
- ICT infrastructure
- Social service infrastructure (health care, education, improved vocational training facilities)



CLIMATE CHANGE

**Cross cutting sector in the
blending mechanisms**

- **CLIMATE CHANGE
WINDOWS**
- Additional resources for climate change adaptation and mitigation, as well as transparent tracking of all climate change related projects funded by EU, EIB and other European Finance Institutions (EFI)



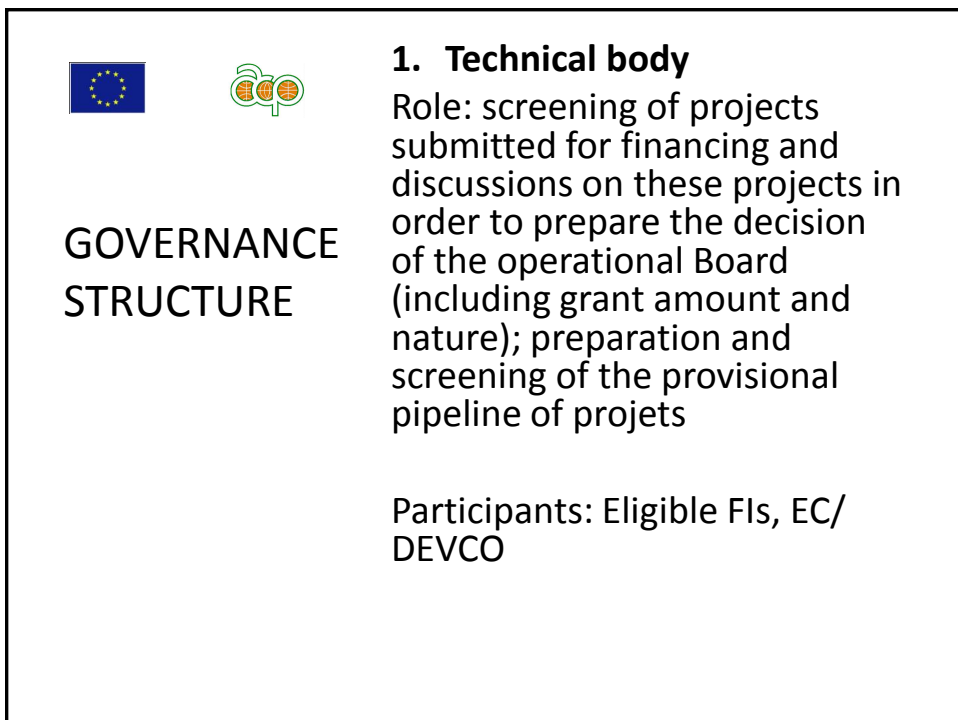
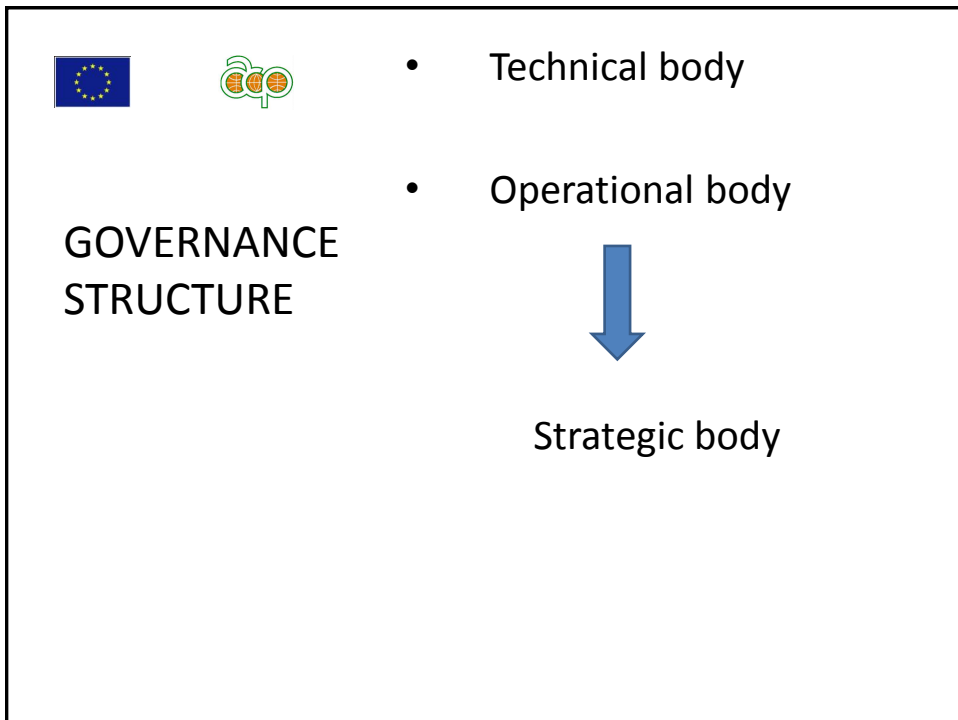
TYPES OF GRANT SUPPORT


- Direct Investment
- Technical Assistance
- Interest Rate Subsidy
- Risk Capital operations
- Loan guarantee cost financing



TYPES OF GRANT SUPPORT

- Grant used as **direct investment** and **interest rate subsidy** decrease the investment cost for the beneficiary
- **Technical Assistance** can accelerate project and improve the quality, efficiency as well sustainability
- **Risk capital** (i.e. equity) could be used to support MSMEs
- **Guarantee mechanisms** aim at unlocking market financing for development that is held back by high risk perception



		<h2>2. Operational body</h2>
<p>GOVERNANCE STRUCTURE</p>		<p>Role: decision on provisional pipeline and on project eligible for financing, including by setting the amount of grant award</p> <p>Participants: EC/DEVCO, EU Member States, eligible FIs as observers</p>

		<h2>3. Strategic body</h2>
<p>Goverance Structure</p>		<p>Role: setting of strategies and priorities in accordance with the national strategies of partner countries</p> <p>Participants: EC DEVCO, EU Member States, eligible FIs and partner countr participate as observers.</p>



SUBMISSION OF PROJECTS

- **Eligible Finance Institutions** submit project proposals as Lead Financier
- **Multilateral** European Finance Institutions (e.g. EIB, EBRD...)
- European public **national** development finance institutions from EU Member States (e.g. AFD, AECID, BIO, COFIDES, FINFUND, KfW, LUXDEV etc....)
- **Regional** banks (CDB, IDB, ADB...)



CARIBBEAN INVESTMENT FACILITY (CIF)

Eligibility and Funding

- The CIF has been officially launched in March 2013 and is now fully operational, holding the potential to cover the needs in infrastructure investments of Caribbean ACP countries
- 15 Caribbean ACP countries directly eligible
- Funding: Euro 40 million from the 10th intra-ACP envelope

The EU Member States and the Partner countries, if appropriate, can create a « Trust Fund CIF » with voluntary contributions



INVESTMENT FACILITY FOR THE PACIFIC (IFP)

- The IFP is now fully operations, holding the potential to cover the needs in infrastructure investments of Pacific ACP countries
- 14 Pacific ACP countries directly eligible
- Funding : Euro 10 million from the 10th EDF intra-ACP envelop



For more information

CIF Secretariat

DG for Development and Cooperation –EuropeAid

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IFP Secretariat

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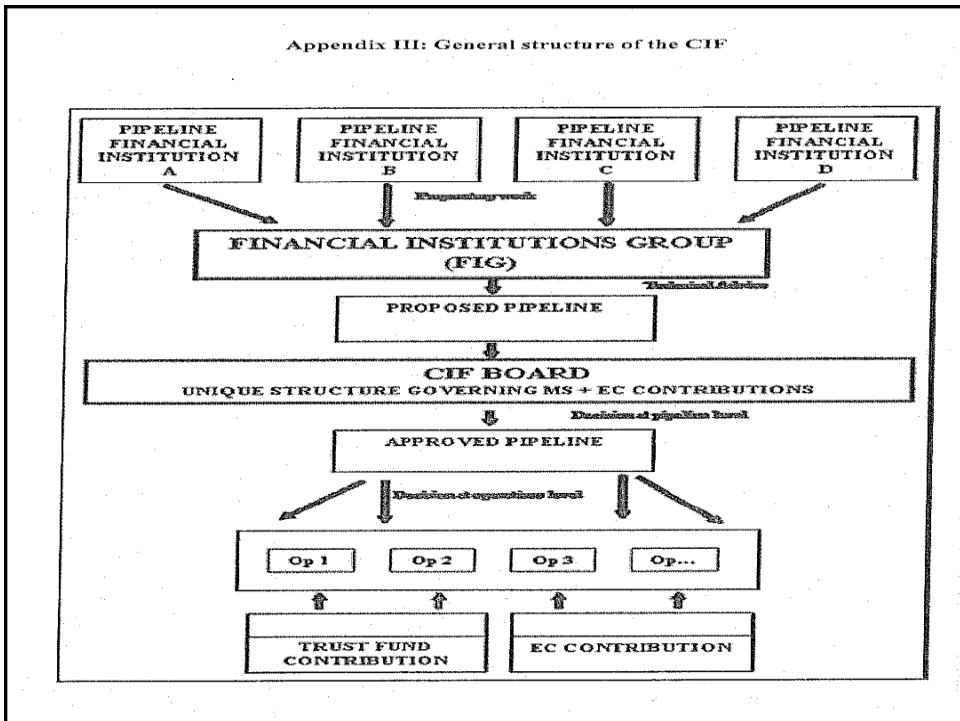
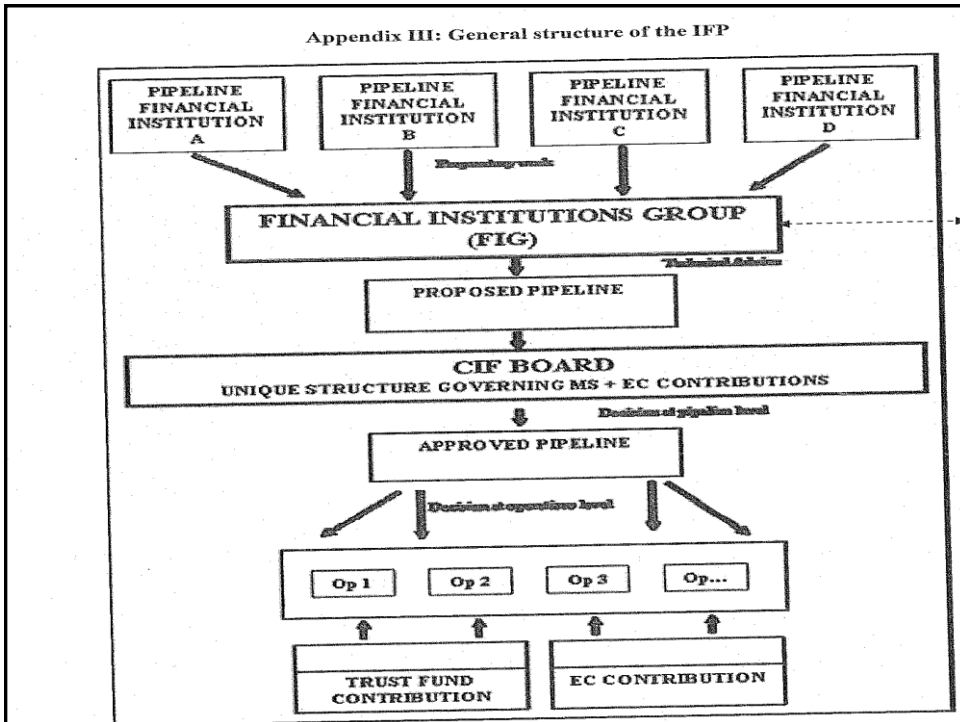
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- **Thank you for your attention**

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