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

Presentation by

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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

1. Key aspects of blending: raisons, objectives
2. Sectors covered
3. Type of grant support
4. Governance structure
5. Facilities for the Caribbean and the Pacific

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INFRASTRUCTURES SECTORS

- MASSIVE developmental challenges
- HEAVILY contrained public funds
- LEVERAGE EFFECT of grants to unclock 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)
• Direct Investment
• Technical Assistance
• Interest Rate Subsidy
• Risk Capital operations
• Loan guarantee cost financing

• 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 unclogging market financing for development that is held back by high risk perception
GOVERNANCE STRUCTURE

1. Technical body
Role: screening of projects submitted for financing and discussions on these projects in order to prepare the decision of the operational Board (including grant amount and nature); preparation and screening of the provisional pipeline of projects

Participants: Eligible FIs, EC/DEVCO
2. **Operational body**

Role: decision on provisional pipeline and on project eligible for financing, including by setting the amount of grant award

Participants: EC/DEVCO, EU Member States, eligible FIs as observers

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3. **Strategic body**

Role: setting of strategies and priorities in accordance with the national strategies of partner countries

Participants: EC DEVCO, EU Member States, eligible FIs and partner countr participate as observers.
<table>
<thead>
<tr>
<th>Eligible Finance Institutions</th>
<th>submit project proposals as Lead Financier</th>
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<tbody>
<tr>
<td>Multilateral European Finance Institutions (e.g. EIB, EBRD...)</td>
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<tr>
<td>European public national development finance institutions from EU Member States (e.g. AFD, AECID, BIO, COFIDES, FINFUND, KfW, LUXDEV etc...)</td>
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<td>Regional banks (CDB, IDB, ADB...)</td>
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**SUBMISSION OF PROJECTS**

- 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 envelop

The EU Member States and the Partner countries, if appropriate, can create a « Trust Fund CIF » with voluntary contributions
The IFP is now fully operational, 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
• Thank you for your attention

ACP Secretariat

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