European Fund for Sustainable Development +

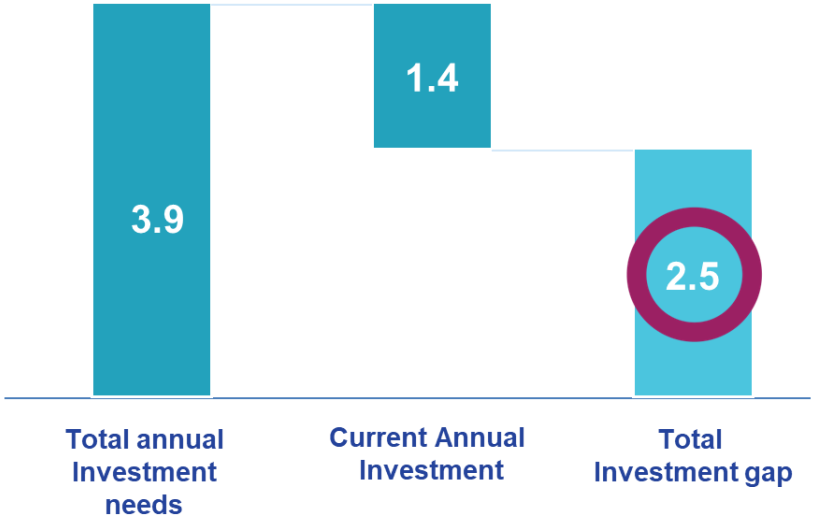
Sustainable finance in the global south
Session 1 – Round table: How can research support the industry?

30 March 2023

Magdalena Kouneva, Blending and EFSD+ Guarantees

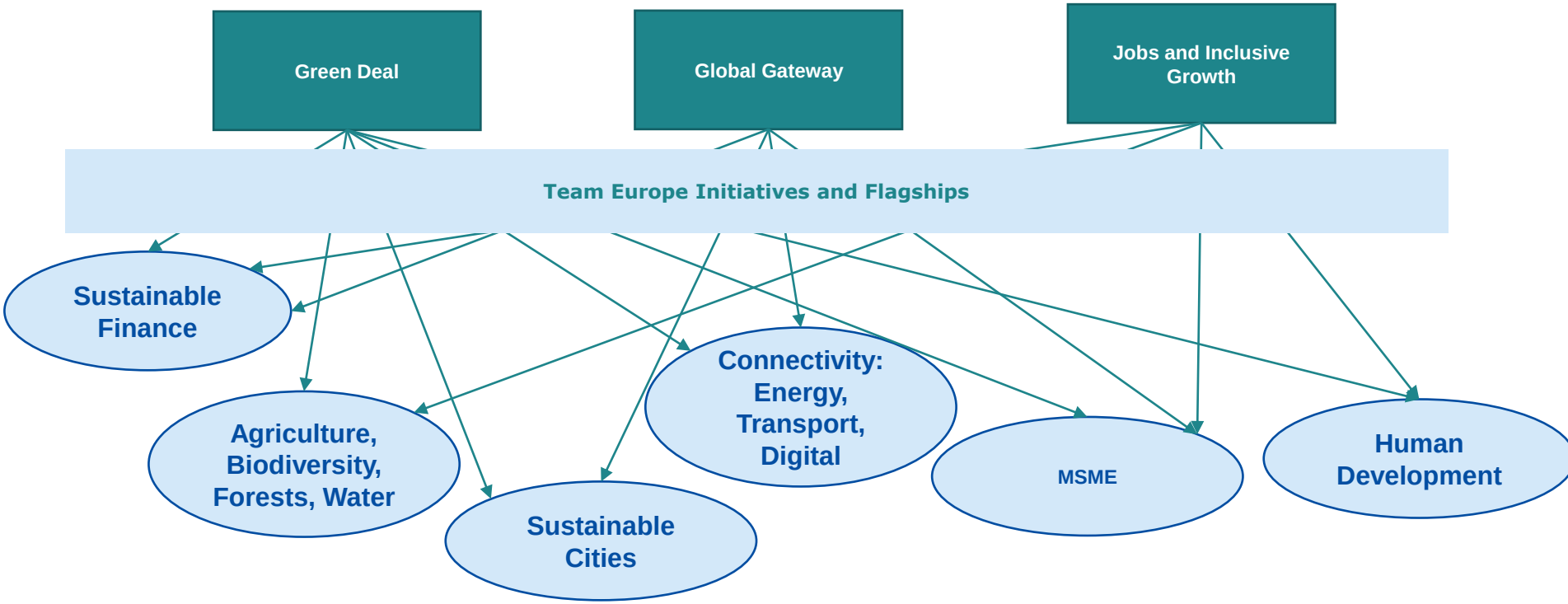
Why blending and EU Guarantees

Estimated global investment gap in key SDG sectors, 2015-30
Trillions of USD, annual average



This cannot be covered by Official Development Aid (ODA) alone

EFSD+ Strategic Areas for Investments



European Commission

The EFSD+ guarantee: 2021-2027

External Action Guarantee (EAG)
€51.7bn

EFSD+ guarantee
€39.8bn

Guarantee on loans
€11.9bn

EIB
(dedicated windows)
€26.7bn

'Open architecture'
€13.1bn

MFA
€11.6bn

Euratom
€0.3bn

NEAR
68%

INTPA
32%

NEAR
33%

INTPA
67%

Provisioning: EUR 10bn (cap established in the NDICI regulation).

The EFSD+ guarantee: windows

Sovereign & non-commercial sub-sovereign	Commercial sub-sovereign	Private sector
Beneficiary: Government and entities fully backed by state unable to finance themselves in market. Examples: - Large infrastructure projects (e.g. metro, hospital, port) - Coherence with budget support, Macro-Financial Assistance.	Beneficiary: Public entity able to finance themselves in the market. Examples: - Loan to public water and sanitation company. - Upgrading of capacity of national utility company	Beneficiary: Wide range of private sector companies (e.g. SMEs to large corporates). Building on the previous EFSD. Examples: SME credit line. RE project Capital market instruments
Exclusive to EIB (Window 1)	Open architecture	Open architecture

Current results from the 2022 Open Architecture call to Implementing Partners

over 60 endorsed guarantee programmes to support financing and investment operations in EU partner countries for a total of Eur8.4bn guarantee allocations across all regions. New programmes may be endorsed in the future.

Out of this 27 guarantee programmes will support investments in the EU's neighborhood and enlargement countries, including 16 programmes to be implemented mainly in DG NEAR regions with guarantee amounts worth €2.4 billion.

Programmes in NEAR regions are expected to generate investments in the order of €17 billion in priority sectors to deliver the Flagships in the Economic and Investment Plans with EU partner countries

A broad range of instruments covered with significant private sector mobilization effect.

Diversification across countries, regions and sectors

A broad range of implementing partners including new partners who will use the EU guarantees for the first time.

Once guarantee agreements are signed partners will have a period of time to build their investment portfolios.

We work with partners

Partner IFIs (blending+guarantees)

European Investment Bank – The EU bank

AFD – Agence Française de Développement

KFW

European Bank for Reconstruction and Development

Banque Africaine de Développement – African Development Bank

African Development Fund – Fonds Africain de Développement

FMO – Entrepreneurial Development Bank

cdp – cassa depositi e prestiti

EDFI – European Development Finance Institutions

COFIDES – Capital para tu inversión exterior

Ministerio de Asuntos Exteriores y de Cooperación

aecid

IFC – International Finance Corporation – World Bank Group