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**THIS ACTION IS FUNDED BY THE EUROPEAN UNION**

**ANNEX VI**

of the Commission Implementing Decision on the financing of the multiannual action plan in favour of the Asia region for 2021-2022

**Action Document for the Asia-Pacific Investment Facility (APIF)**

**MULTI-ANNUAL ACTION**

This document constitutes the multiannual work programme in the sense of Article 110(2) of the Financial Regulation, and action plans in the sense of Article 23(2) of NDICI-Global Europe Regulation.

## 1. SYNOPSIS

### 1.1. Action Summary Table

<b>1. Title</b> <b>CRIS/OPSYS</b> <b>business reference</b> <b>Basic Act</b>	<b>Asia-Pacific Investment Facility (APIF)</b> <b>CRIS number: NDICI/ASIA/2021/43350 and NDICI/ASIA/2022/43649</b> Financed under the Neighbourhood, Development and International Cooperation Instrument (NDICI-Global Europe)/ Overseas Association Decision/European Instrument for International Nuclear Safety Cooperation Regulation
<b>2. Team Europe Initiative</b>	NO
<b>3. Zone benefiting from the action</b>	The action shall be carried out in Asia and Pacific region  The action shall be carried out at the following location: all countries of Asia eligible under the Multiannual Regional Indicative Programme for Asia and Pacific for the period 2021-2027 and NDICI eligible countries of the Middle East region.
<b>4. Programming document</b>	Multi-annual Regional Indicative Programme for Asia and Pacific 2021-2027
<b>5. Link with relevant MIP(s) objectives/expected results</b>	In relation with the [draft] Regional MIP, this Action contributes to Priority area 1, regional integration and cooperation and is mainly linked to the following focal sectors and Specific Objectives (SO):  a) Central Asia  Focal sector 1: Partnering for resilience (SDGs 5, 6, 7, 10, 13, 16) SO2- Support for sustainable energy transition  Focal sector 2: Partnering for prosperity (SDGs 3, 4, 5, 8, 9, 10) SO1- Promotion of digital connectivity

	<p>SO 2 – Support for entrepreneurship and decent employment</p> <p>b) South Asia</p> <p>Focal sector 1: Sustainable and resilient environment (SDGs 8, 9, 12, 14, 15)</p> <p>SO1- Implement the 2030 Agenda and the Paris Climate Change Agreement</p> <p>SO2- Support the protection and conservation of natural resources</p> <p>Focal sector 2: Trade, Energy and digital connectivity (SDGs 7, 8, 10)</p> <p>SO2- Establish intra-regional energy solutions</p> <p>SO3- Promote connectivity</p> <p>c) South East Asia and ASEAN</p> <p>Focal sector 2: Green Alliance (SDGs 5, 6, 7, 12, 13, 14, 15)</p> <p>SO1- Promoting a green growth model in line with Agenda 2030</p> <p>SO3- Protection and management of natural resources</p> <p>Focal sector 3: Sustainable connectivity (SDGs 4, 5, 8, 9, 12)</p> <p>SO2- Promote sustainable connectivity</p> <p>d) Pacific</p> <p>Focal sector 1: Climate action and environment (SDGs 1,6,7,11,12,13,14,15)</p> <p>SO1- Response to the impact of global warming</p> <p>SO2- Reduction of greenhouse gas emissions</p> <p>SO3- Management of ecosystem resources and circular economy</p> <p>Focal sector 2: Economic development (SDGs 1,2,7,8,9,10,11,13,14,16)</p> <p>SO1- Sustainable and resilient economic growth</p>
<b>PRIORITY AREAS AND SECTOR INFORMATION</b>	
<b>6. Priority Area(s), sectors</b>	Priority Area 1 – Regional Integration and Cooperation
<b>7. Sustainable Development Goals (SDGs)</b>	<p>Main SDG Goal: 13 Climate Action</p> <p>5 Gender Equality</p> <p>7 Affordable and Clean Energy</p> <p>8 Decent work and economic growth</p> <p>11 Sustainable cities and communities</p>
<b>8 a) DAC code(s)</b>	<p>23010 - Energy Policy and administrative management</p> <p>41010 - Environmental policy and administrative management</p> <p>32130 - SME Development</p> <p>21010 - Transport policy and administrative management</p> <p>16050 - Multi-sector aid for basic social services</p> <p>15170 - Women’s organisations and mouvements and government institutions</p>
<b>8 b) Main Delivery Channel</b>	<p>42000 - European Investment Bank</p> <p>44000- World Bank Group</p> <p>46000 – Regional Development Banks</p> <p>10000 – PUBLIC SECTOR INSTITUTIONS</p>

<b>9. Targets</b>	<input type="checkbox"/> Migration <input checked="" type="checkbox"/> Climate <input checked="" type="checkbox"/> Social inclusion and Human Development <input checked="" type="checkbox"/> Gender <input checked="" type="checkbox"/> Biodiversity <input type="checkbox"/> Education <input type="checkbox"/> Human Rights, Democracy and Governance			
<b>10. Markers (from DAC form)</b>	<b>General policy objective</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Principal objective</b>
	Participation development/good governance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Aid to environment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Gender equality and women's and girl's empowerment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Trade development	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Reproductive, maternal, new-born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Disaster Risk Reduction	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Inclusion of persons with Disabilities	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Nutrition	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<b>RIO Convention markers</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Principal objective</b>
	Biological diversity	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	Climate change adaptation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<b>11. Internal markers and Tags:</b>	<b>Policy objectives</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Principal objective</b>
	Digitalisation Tags: digital connectivity digital governance digital entrepreneurship job creation digital skills/literacy digital services	<input type="checkbox"/>	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
	Connectivity Tags: transport people2people energy digital connectivity	<input type="checkbox"/>	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>

	Migration (methodology for tagging under development)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reduction of Inequalities (methodology for marker and tagging under development)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Covid-19	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>BUDGET INFORMATION</b>				
<b>12. Amounts concerned</b>	Budget line(s) (article, item):  <b>2021: EUR 62 844 645,23</b> B2021-14-020130-C1-INTPA: EUR 19 361 823,29 (Central Asia) BGUE-B2021-14.020130-C5-INTPA: EUR 3 482 821,94 B2021-14-020131-C1-INTPA: EUR 35 000 000 (other Asia)  BGUE-B2021-14.020132-C1-INTPA : EUR 4 327 598,71 (Pacific) BGUE-B2021-14.020132-C5-INTPA : EUR 672 401,29 (Pacific)  <b>2022 : EUR 112 155 354,77</b> BGUE-B2022-14.020130-C1-INTPA: EUR 27 155 354,77 (Central Asia) BGUE-B2022-14.020131-C1-INTPA: EUR 65 000 000 (other Asia) BGUE-B2022-14.020132-C1-INTPA: EUR 20 000 000 (Pacific)  Total estimated cost: EUR 175 000 000 Total amount of EU budget contribution EUR 175 000 000			
<b>MANAGEMENT AND IMPLEMENTATION</b>				
<b>13. Type of financing<sup>1</sup></b>	This contribution to the Regional Blending Facility shall be implemented in indirect management by the entities indicated in the annex to this Action Document, in accordance with the Regional Blending Facility award procedure.			

## 1.2. Summary of the Action

The purpose of this Action Document is the financing of the Asian and Pacific Investment Facility (APIF) from the general budget of the Union in 2021. Until 2020, the Facilities have been operating under different budgetary regimes, the Asia Investment Facility (AIF) and the Investment Facility for Central Asia (IFCA) under the Development Cooperation Instrument (DCI) and the Investment Facility for the Pacific (IFP) under the European Development Fund (EDF).

For the new 2021-27 cycle, it is proposed to merge the three regional facilities into a single one, the Asia Pacific Investment Facility (APIF). Merging the three facilities responds to the purpose of minimizing administrative transaction costs and adding flexibility to the process of resource allocation. It is also timely since all funds will now come from the Budget after the budgetisation of the European Development Fund.

<sup>1</sup> Art. 27 NDICI

This Action is relevant for the Agenda 2030. It contributes to the progressive achievement of SDG target(s) 13, but also promotes progress towards Goal(s) 5, 7, 8 and 11. This does not imply a commitment by the Asian countries benefiting from this programme.

In line with the objectives of the Regional Indicative Programme 2021 – 2027 for Asia-Pacific, APIF's main objective is the promotion of SDG related investments through the leverage of additional investments in key infrastructure with a priority focus on climate change relevant and "green" investments in areas of environment, energy, sustainable urban development, transport and social infrastructure as well as in SMEs development. Other priority areas, such as gender equality, digitalization and COVID-related support are also envisaged by APIF.

Under the APIF, EU contributions will be used strategically to mobilize financing from partner financial institutions and other public and private investors with the overall objective to enhance the development impact of investment projects and/or to promote SDG relevant investments that without the grant contribution would be difficult to fund due to market failure. Investments can contribute directly and indirectly to better regulatory frameworks, market creation and expansion (in particular for renewable energy), more sustainable connectivity and enhanced regional integration. The Facility will provide contributions in form of investment grants, technical assistance, interest rate subsidies or risk capital operations to promote SDG relevant investments.

The Facility will promote the fulfilment of economic and social rights, and gender equality, in line with region's and partner countries international human rights commitments.

More specifically the Facility contributes to the EU Gender Action Plan (GAP) III thematic areas "promoting economic and social rights and empowering girls and women" and "addressing the challenges and harnessing the opportunities offered by the green transition and the digital transformation".

The beneficiaries, duty-bearers of the Facility will be the Asia-Pacific countries via their central, regional and local administrations or semi-public institutions, civil society organisations representing rights-holders of the Facility as well as the private sector, in particular local financial institutions and SMEs. In addition, stakeholders include European and multilateral financial institutions that are eligible to become Lead Financier for APIF funded operations.

The contribution may be implemented under indirect management with the entities, called Lead Financial Institutions. These lead FIs have to be pillar-assessed for procurement, grants, financial instruments and accounting systems.

In the context of the current COVID-19 recovery, APIF will continue to be flexible and build key strategic partnerships with IFIs that are joining forces with the EU to tackle the crisis in partner countries. All proposals funded by APIF will address challenges exacerbated by the crisis, most notably in improvement of access to basic services and health as well as in building economic resilience by providing tailored support to SMEs and fostering growth.

## **2. RATIONALE**

### **2.1. Context**

The developing Asia-Pacific region was severely hit by the COVID-19 health crisis, with resurgent variant-driven outbreaks pointing to continued risks amid an already highly uncertain outlook. Yet, from a macroeconomic standpoint, the region proved once again its resilience, contracting on average by 0.2% in 2020 and forecast to rebound strongly in 2021 and 2022 according to the Asian Development Bank.

Beyond the impressive average regional performance, the Asia-Pacific remains however a complex and heterogeneous region, both in terms of divergent economic performances and development levels, and in

terms of governance and political stability challenges. Still, as a key trade and investment partner and major global growth engine, the region remains central to the EU interests and its complexities and challenges constitute one of the main testbeds for the EU's geopolitical ambitions and its capacity to deliver global influence and export EU-driven standards.

The Asia-Pacific region continues to struggle with catastrophic COVID-19 outbreaks. As lockdowns and restrictions persist, inequalities that underscore the pervasive impacts of the pandemic threaten to further exacerbate conditions for those most vulnerable. Disproportionate increases in inequalities for women across health, protection, education and livelihoods have resulted from the pandemic. Emerging evidence over the past year confirmed that the pandemic had a regressive effect on gender equality. From an EU perspective, it is therefore essential to synchronise the timing of the ongoing sustained recovery with a strong front-loading of cooperation and partnership tools deployed in the context of NDICI – Global Europe.

Leveraging the transformative potential of investment will remain high priority for Asia-Pacific partners to restart growth at an accelerated pace and fill the still sizeable investment gaps in the region.

The funds of the investment sector will facilitate sustainable investments in the areas of renewable energy and energy efficiency (including just transition), environment, water and climate change, as well as SME financing. In middle income countries (MIC) supporting investments will mean sharing expertise and facilitating technology transfer and exchange of good practices, including through setting up business platforms for MSMEs, encouraging responsible investment and fiscal reform in favour of renewable energy, sustainable natural resource management and the promotion of good governance, the rule of law and human rights.

The EU aims at further strengthening its role as an investment partner in key transformational projects in the region via the proposed EUR175M replenishment of the Asia Pacific Investment Facility (APIF). Based on figures of the year 2020, this is expected to leverage EUR 4,000M of loans by partner financial institutions in projects underpinning the EU's sustainability and geopolitical priorities<sup>2</sup>, although actual leverage factor will depend upon the quality of the investments.

A regional approach remains the most viable solution to cater for the still elevated uncertainty on the expected pipeline and seize key investment opportunities in the recovery context, including possible intra-regional and inter-regional connectivity projects.

As the COVID-19 recovery also provides partners in the regions with an opportunity to rethink the fundamentals of their development models to ensure more sustainable and inclusive consumption and production patterns, the EU must also be able to present itself as the strategic partner of choice to take up and implement economic models that deliver growth, shared prosperity and sustainability.

## **2.2. Problem Analysis**

### **Short problem analysis:**

#### **For a resilient and sustainable rebound of our economies**

**The EU and the countries of the Asia-Pacific region share the common task of addressing the economic effects of the COVID19 crisis for many countries and the need to ensure a sustainable and inclusive socio-economic recovery.** Trillions of investments will be needed from public and private, domestic and international sources to reach the Paris Agreement objectives and the SDGs.

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<sup>2</sup> Cf. 2020 IFCA, AIF and IFP Operational report: "In 2020, 13 projects were approved under the three facilities for a total contribution of €112 million (€79.3 million from AIF, €15.9 million from IFCA and €16.6 million from IFP). This contribution leveraged €2.6 billion (a ratio of 23:1)"

EU action at global level is also essential in reaching the objectives set at EU level, most recently by the “Fit for 55” legislative package.

In order to ensure green, sustainable and inclusive growth, Build Back Better and Greener after the COVID-19 crisis and reach the Paris Agreement objectives and the SDGs, trillions of investments will be needed from public and private, domestic and international sources. Financial resources catalysed by EU guarantees/blending under EFSD+ for enhancing bankability, providing additional financing, mitigating credit risk and promoting concessional lending to partner countries, in support of green and just recovery and sustainable investments are instrumental to meet financing needs without harming debt sustainability, and for creating job opportunities. Decisions regarding the allocations of the EFSD+ and blending will be taken in line with the ‘policy-first’ principle in full support of the priorities, areas and sectors identified in this and/or in the country MIPs.

The challenges of recovering from the impacts of the COVID 19 pandemic for the Asian and Pacific region should not undermine the importance of systemic threats such as climate change. It can actually serve as an opportunity to collectively commit on a global recovery, that links debt suspension and/or restructuring and further investments to achieve the Sustainable Development Goals (SDGs) and to promote sustainable, green, just, equitable resilient and inclusive growth.

The Asia Pacific Investment Facility (APIF) will fully exploit the significant potential for blended finance in terms of crowding-in, leveraging and catalysing additional financing, including from private and commercial sources. The EU grants will be used strategically to mobilise financing from partner financial institutions (EUFIs/IFIs/others) and the private sector. The Facility will pay a specific attention on allowing equal opportunities for women and people that are living in vulnerable situations (including people living in poverty, remote areas, migrants, persons with disabilities, minorities, indigenous peoples etc.) to benefit from the Facility, including through increased access to services, economic opportunities and decent jobs, and participation in decision-making.

The importance of investing in physical infrastructure cannot be overstated. To be sustainable and deliver on policy objectives to be laid out in the upcoming EU Global Gateways Initiative, but also align with its values, investment in connectivity infrastructure should be pursued in full respect of international norms and standards in order to maintain a level playing field. It should also promote the same norms and standards and incentivise financial and development institutions to adopt this approach.

**Identification of main stakeholders and corresponding institutional and/or organisational issues (mandates, potential roles, and capacities) to be covered by the action:**

The target and main duty-bearers of the Facility will be the Asian countries via their central, regional and local administrations or semi-public institutions, and the private sector, in particular local Financial Institutions and SMEs. Right-holders of the Facility are people, including those living in the most vulnerable situations. Civil society organisations will represent rights of different rights-holders groups (incl. workers, women, people living in poverty, remote areas, minorities, persons with disabilities, indigenous peoples, migrants).

In addition, stakeholders include European or multi-national Financial Institutions that are eligible to become Lead Financial Institutions for AIF funded operations.

In accordance with Article 27.7e) the Regulation (EU) No 947/2021, financial instruments, budgetary guarantees and blending operations under the Instrument shall be implemented in accordance with the principles laid down in Article 209(1) of the Financial Regulation and whenever possible under the lead of the EIB, a multilateral European finance institution, such as the European Bank for Reconstruction and Development, or a bilateral European finance institution, such as development banks, possibly pooled with additional other forms of financial support, both from Member States and third parties.

Also in accordance with the recommendations made under the EU Platform for Blending in External Cooperation (EUBEC), the involvement of non-European FIs as lead financiers should be examined by

the Board of the NDICI Blending Framework on a case by case basis following a targeted approach, based on the specific added value as a lead financier brought in a particular project or region.

### 3. DESCRIPTION OF THE ACTION

#### 3.1. Objectives and Expected Outputs

The **Overall Objective (Impact)** of this action is to contribute to long-term sustainable and socially inclusive economic growth in the Asia-Pacific region, by promoting strategic inclusive investments with a priority focus on Green Deal, Decent Jobs and Growth, Digital Transition.

The **Specific Objectives/ Outcomes** of this action are:

- Priority Area 1 – Green Deal

S.O. 1 – Supporting strategic and inclusive investments in the fields of climate change and resilience, just energy transition, sustainable connectivity, urbanisation and agriculture, and sustainable management of natural resources, biodiversity and ecosystems.

- Priority Area 2 – Decent Jobs and Growth

S.O. 2 - Boosting strategic and inclusive investments for decent job creation and sustainable growth, by leveraging private sector resources as additional funding source.

- Priority Area 3 – Digital Transition

S.O 3 Improve equal access to digital infrastructure and foster digital entrepreneurship and decent job creation for women, men, girls and boys in all their diversity

The Outputs to be delivered by this action contributing to the corresponding Specific Objectives (Outcomes) are:

➔ Related to outcome 1

**Output 1.1** Improved power clean/green/renewable energy and energy efficiency (including just transition) (Energy)

**Output 1.2** Improved energy infrastructure (Energy)

**Output 1.3** Improved water and sanitation facilities (Water & Sanitation)

**Output 1.4** Improved Solid Waste facilities (Waste Management)

**Output 1.5** Improved sustainable agriculture practices (Agriculture)

➔ Related to outcome 2

**Output 2.1** Increased sustainable inclusive economic growth with improved livelihoods and decent employments

**Output 2.2** Improved competitiveness and sustainability of the local private sector

**Output 2.3** Increased private inclusive & sustainable investment

**Output 2.4** Increased private sector engagement and leverage

**Output 2.5** Improved and inclusive access to markets and/or value chains

**Output 2.6** Improved inclusive access and use of diversified financial services, including from innovative financial instruments (for M&SMEs, women, youth and rural populations).

➔ Related to outcome 3



**Output 3.1** Improved digital infrastructure and connectivity;

**Output 3.2** Increased competitiveness of digital businesses and decent job creation in the digital domain as well as in other sectors profiting from digital input; Women, men, girls and boys in all their diversity participate fully and equally in the digital economy;

**Output 3.3** Increased connection to open, affordable and secure broadband connectivity and digital infrastructure, especially for youth, women, vulnerable groups and rural communities.

### **3.2. Indicative Activities**

Not applicable to this Action, as it is meant to allow the replenishment of a Blending facility. Indicative activities will be defined at project level.

### **3.3. Mainstreaming**

#### **Environmental Protection & Climate Change**

To be developed at single project level. Partner countries and financial institutions will ensure that all projects financed with EU resources respect EU principles in terms of environmental and social impact as well under the rights-based approach to Development (e.g. gender issues, indigenous people rights, etc.), public procurement, state aid, equal opportunities and will also respect the principles of sound financial management with effective and proportionate anti-fraud measures.

All interventions will be screened for their environmental impact and climate risk, in accordance with the screening procedure in the EU guidelines "Integrating the environment and climate change into EU international cooperation and development", or equivalent screenings for the lead financial institution. Environmental impact assessments and climate risk assessments will be prepared as required to ensure the interventions' environmental sustainability and climate resilience.

Synergies between the blending facilities and EU funded (regional) climate change capacity building programmes and, where applicable, policy reform instruments including sector budget support should be strengthened. Capacity building programmes should facilitate the identification and formulation of climate relevant projects at country and/or regional level, and support local and regional climate policies. This will strengthen the already ongoing processes of pipeline development and securing local ownership.

As mentioned by the Commission Communication on Private Sector Development approved in May 2014, EU support for private sector development is guided by a set of clear principles. In the case of direct support to finance institutions or private businesses, or subsidised business development services, the set of defined criteria will have to be applied.

#### **Outcomes of the SEA screening**

To be defined at project level

#### **Outcomes of the EIA (Environmental Impact Assessment) screening**

Idem

#### **Outcome of the CRA (Climate Risk Assessment) screening**

Idem

#### **Gender equality and empowerment of women and girls**

As per OECD Gender DAC codes identified in section 1.1, this action is labelled as **G1**.

This implies that within the overall cycle of the Blending projects, a set of quality assessment criteria will be used to ensure that decisions are based on sound and consistent analysis. At each stage of the decision-making the assessment should also determine whether gender equality issues have been analysed and correctly addressed at all levels of the action.

The proposed Quality Frame will consist of three key quality attributes requiring assessment to show that a project is:

- A. relevant – meeting demonstrated and high-priority needs, and is consistent with the policy objectives of the EC and those of its partner countries in terms of gender equality and women’s empowerment;
- B. feasible – designed technically, socially and economically sound and will provide sustainable benefits to the target groups;
- C. effective and well managed – able to deliver sustainable benefits.

Under each of these main attributes there are a number of key criteria (to be identified at the project level) which will be used to assess the project’s quality. Specific indicators disaggregated by sex will be used to monitor and evaluate the projects’ performance and impacts on gender equality.

### Other considerations

The European Commission will ensure during the project selection process as well as through the normal project monitoring process that funds entrusted to eligible Financial Institutions for projects financed under APIF from the EU budget respect European Union principles in terms of climate change, environmental sustainability, EU law on Environment and Social Impact Assessment, gender equality, good governance and human rights. All projects will be aligned to the EU-standards in terms of application of environmental and climate change safeguards and will be based upon relevant analysis done.

Human rights based approach and its key principles (applying all human rights, including labour rights, for all; meaningful and inclusive participation and access to decision-making; non-discrimination and equality; accountability and rule of law for all; and transparency and access to information supported by disaggregated data) will be integrated throughout the facility.

Synergies between the blending facilities and EU funded capacity building programmes related to cross cutting issues and, where applicable, policy reform instruments including sector budget support will be sought.

### 3.4. Risks and Lessons Learnt

Category	Risks	Likelihood (High/ Medium/ Low)	Impact (High/ Medium/ Low)	Mitigating measures
Debt level of beneficiary countries is not sustainable.	Risk 1	M		Close attention is paid to this issue during the project selection process. This is facilitated by detailed information that the applying Financial Institution needs to provide on the application form.
Worsening of security, human rights and gender equality situation in conflict-prone areas in Asia (e.g.	Risk 2	M		Regular monitoring of the security, human rights and gender equality situation, based on disaggregated data (sex, age, disability, migratory status, other context specific group etc) in order to leave no one behind, and assessment of the

Pakistan, Myanmar, Iraq, etc.)				changing context and politico-economic vulnerabilities conducted by civil society organisations, EU, UN and other international stakeholders.
Risk of human rights violations committed by private sector actors	Risk 3	M		An explicit commitment for all private sector actors to abide by the UN Guiding Principles on Business and Human Rights.
				The facility adopts a do no harm approach, and due diligence mechanisms will be created.

### Lessons Learnt:

The APIF draws to the maximum extent possible lessons from previous similar action through reviews, assessments, monitoring results (Results Oriented Monitoring), evaluations of previous actions and, where possible, other assessments from other donors, relevant to this specific action.

An overall evaluation on blending was conducted between July 2015 and July 2016 incorporating all regional investment facilities active during the period 2007-2014. The outcome of the evaluation is positive and following recommendations are relevant for further follow-up under APIF:

- Focus strongly on the additionality of the blending grant
- Expand the number and specialisation of IFI partners
- Sharpen the alignment of the blending projects with national policies
- Expand the use of risk sharing instruments to financial intermediaries selected for their strategy and policies with respect to pro-poor and pro-development risk taking
- Achieve a significant development impact through blending projects by placing greater focus on job creation and poverty alleviation.

These findings have been used, with other reports, by the EU Platform for Blending in External Cooperation, set-up in December 2012, to make concrete recommendations for further increasing the effectiveness of aid delivered by the European Union through blending.

At the same time, the Court of Auditors published a special report on blending in October 2014. The conclusions were very much in line with the above: blending the regional investment facility grants with loans from FIs to support EU external policies was found generally effective, and projects were relevant.

The recommendations covered the following aspects: need to improve the documentation on additionality of the grant, ensure the maturity of projects submitted to the facilities' Boards, produce guidelines, ensure a more pro-active role of Delegations, simplify the decision making process, improve the Commission's monitoring of the projects, and ensure appropriate visibility for EU funding. These recommendations have been dealt with by the EU policy group established under the EU Platform for Blending in External Cooperation. They were consequently incorporated in an improved project application form (currently under revision), as well as in a newly developed blending results measurement framework. These will continue to be improved according to arising needs as well as knowledge obtained from the implementation of blending projects.

### 3.5. Intervention Logic

The basic hypothesis, for a successful implementation of the APIF facility, is that EU contribution will be used strategically to mobilize additional resources from partner financial institutions and the private

sector with the **general objective** to enhance the development impact of investment projects. Given the complexity and high-risk of many development projects, the underlying strategy is to improve the impact of investments and to plug in the so-called “financing gap”, by de-risking investments in development projects.

The APIF facility is intended to generate a significant **impact** in terms of long-term sustainable and socially inclusive economic growth in the Asia-Pacific region, by promoting strategic investments with a priority focus on Green Deal, Jobs and Growth and Digital Transition.

Therefore, the three **specific objectives**, identified for the facility (see section 3.1), are related to the support of investments in the fields of Environment, Climate Change, Energy, Sustainable Cities, Sustainable Agriculture, Sustainable Economic Growth and Digital infrastructure.

**At the project level**, it will be ensured that a well-defined logical path will be adopted, by including: a) a clear definition of the problems; b) the identification of objectives; c) the determination of causal assumptions (theory of change) d) the identification of the challenges in order to define the best possible solutions; e) the assessment of the various organisational set ups; f) the quantification of the financial and human capital needs; g) the definition of the timeline for each project.

Moreover, apart from the indicators identified at the facility level, further result indicators will be defined at individual project level and approved under the NDICI Blending Framework.

### 3.6. Logical Framework Matrix

Results	Results chain: Main expected results (maximum 10)	Indicators: (at least one indicator per expected result)	Baselines (values and years)	Targets (values and years)	Sources of data	Assumptions
<b>Impact</b>	To contribute to long-term sustainable and socially inclusive economic growth in the Asia-Pacific region, by promoting strategic investments with a priority focus on Green Deal, Decent Jobs and Growth and Digital Transition.	Number of countries supported by the EU to enhance inclusive and sustainable economic growth in relation to Green sectors, Decent Jobs and Growth and Digital Transition.	<p>Baseline 2021 Green sectors: Coverage of X% for the overall Asia-Pacific region</p> <p>Baseline 2021 Jobs and Growth: Coverage of X% for the overall Asia-Pacific region</p> <p>Baseline 2021 Digital sector: Coverage of X% for the overall Asia-Pacific region</p> <p>To be defined at the inception phase.</p>	Target for 2027 to be confirmed	<p>1 EU reports and data</p> <p>EU Programmes internal monitoring systems</p> <p>Ad-hoc surveys</p>	<i>Not applicable</i>

<b>Outcome 1 –Green Deal priority area</b>	<b>Supporting strategic and inclusive investments in the fields of climate change and resilience, energy transition, sustainable connectivity, urbanisation and agriculture, and sustainable management of natural resources, biodiversity and ecosystems.</b>	<p>1.1.Number of people with access to electricity with EU support through (a) new access and (b) improved access (Energy) – data disaggregated by sex and age</p> <p>1.2.Greenhouse Gas emissions avoided (tonnes CO2eq) with EU support (Energy)</p> <p>1.3.Number of individuals with access to improved drinking water source with EU support (Water &amp; Sanitation) data disaggregated by sex and age</p> <p>1.4.Number of individuals with access to improved sanitation facility with EU support, (Water &amp; Sanitation) - data disaggregated by sex and age</p> <p>1.5.Amount of solid waste collected and recycled with EU support (Waste Management)</p> <p>1.6.Number of countries and cities with climate change and/or disaster risk reduction strategies (a) developed or (b) under implementation with EU support</p> <p>1.7 Extent to which proposed for adoption climate change adaptation and mitigation policies, and environmental protection strategies and plans (including energy policies/ strategies) are based on a gender analysis of risk, need, demand, barriers, and supply</p> <p>1.8 Number of countries and policy instruments to ensure a just green transition</p>	Baseline to be defined at the inception phase	Target for 2027 to be confirmed during inception phase	Monitoring and Evaluation/ experts analysis	<p>Governments of Partner Countries and IFIs will remain committed to the specific objectives identified and will have the necessary financial and human resources to rollout the proposed actions.</p> <p>Availability of a monitoring, reporting and verification system, which includes an obligation to report on gender</p>
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<b>Outcome 2 – Decent Jobs and Growth priority area</b>	<b>Boosting strategic and inclusive investments for decent job creation and sustainable growth, by leveraging private sector resources as additional funding source.</b>	<p>2.1 Number of countries supported by the EU to strengthen investment climate</p> <p>2.2 Number of beneficiaries with access to financial services with EU support: a) proportion of women-led firms, b) individuals, disaggregated by sex</p> <p>2.3 Number of countries and policy instruments that ensure decent job creation</p>	Baseline to be defined at the inception phase	Target for 2027 to be confirmed during inception phase	<p>2.1 Monitoring and Evaluation/ experts analysis</p> <p>2.2 Monitoring and Evaluation/ experts analysis</p>	<p>Governments of Partner Countries and IFIs will remain committed to the specific objectives identified and will have the necessary financial and human resources to rollout the proposed actions.</p> <p>Availability of a monitoring, reporting and verification system, which includes an obligation to report on gender</p> <p>Reports supervisory mechanism of International Labour Organization</p>
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<b>Outcome 3 –Digital Transition priority area</b>	Improve access to digital infrastructure and foster digital entrepreneurship and decent job creation	<p>3.1 Number of people with access to Internet with EU support (disaggregated by sex, geographic region, urban/rural, age group, and type of connection, i.e. mobile or fixed) (EU RF)</p> <p>3.2 Number of countries supported by the EU to enhance digital entrepreneurship</p> <p>3.3 Number of countries and policy instrument ensuring decent digital jobs</p>	Baseline to be defined at the inception phase	Target for 2027 to be confirmed during inception phase	<p>3.1 Monitoring and Evaluation/ experts analysis</p> <p>3.2 Monitoring and Evaluation/ experts analysis</p>	<p>Governments of Partner Countries and IFIs will remain committed to the specific objectives identified and will have the necessary financial and human resources to rollout the proposed actions.</p> <p>Availability of a monitoring, reporting and verification system, which includes an obligation to report on gender</p>
<b>Output 1 related to Outcome 1</b>	<b>1.1</b> Increased clean/green/renewable energy capacity (Energy)	<p>1.1.1.Renewable energy generation capacity installed (MW) with EU support</p> <p>1.1.2.Additional capacity from conventional energy production</p> <p>1.1.3 Amount of energy saved due to energy efficiency measures</p>	Baseline to be defined at the inception phase	Target for 2027 to be confirmed during inception phase	Monitoring and Evaluation/ experts analysis	Sufficient level of support from Partner Countries and IFIs for investments in this sector.
<b>Output 2 related to Outcome 1</b>	<b>1.2</b> More efficient energy infrastructure (Energy)	<p>1.2.1.Length of transmission and distribution lines installed or upgraded with EU support</p> <p>1.2.2. Number of people with access to electricity with EU support through: (a) new access, (b) improved access.</p>	Baseline to be defined at the inception phase	Target for 2027 to be confirmed during inception phase	Monitoring and Evaluation/ experts analysis	Sufficient level of support from Partner Countries and IFIs for investments in this sector.



<b>Output 3 related to Outcome 1</b>	<b>1.3</b> Improved water and sanitation facilities (Water & Sanitation)	1.3.1.New connections to water supply with EU support  1.3.2.Wastewater treatment capacity installed	Baseline to be defined at the inception phase	Target for 2027 to be confirmed during inception phase	Monitoring and Evaluation/ experts analysis	Sufficient level of support from Partner Countries and IFIs for investments in this sector.
<b>Output 4 related to Outcome 1</b>	<b>1.4</b> Improved Solid Waste facilities (Waste Management)	1.4.1.Installed capacity for solid waste collection and disposal	Baseline to be defined at the inception phase	Target for 2027 to be confirmed during inception phase	Monitoring and Evaluation/ experts analysis	Sufficient level of support from Partner Countries and IFIs for investments in this sector.
<b>Output 5 related to Outcome 1</b>	<b>Output 1.5</b> Improved sustainable agriculture practices (Agriculture)	1.5.1 .Number of smallholders reached with EU supported interventions aimed to increase their sustainable production, access to markets and security of land, disaggregated by sex.  1.5.2.Agricultural and pastoral ecosystems where gender-responsive sustainable management practices have been introduced with EU support (ha)	Baseline to be defined at the inception phase	Target for 2027 to be confirmed during inception phase	Monitoring and Evaluation/ experts analysis	Sufficient level of support from Partner Countries and IFIs for investments in this sector.
<b>Output 6 related to outcome 1</b>	<b>Output 1.6. Improved level of women participation in the energy, infrastructure, waste and agriculture sectors</b>	1.6. 1: number of women with increased training, financial resources, technology or other resources for sustainable and safe production, sustainable energy, sustainable transport and clean water resources, for family consumption or for productive services”	Baseline to be defined at the inception phase	Target for 2027 to be confirmed during inception phase	Monitoring and Evaluation/ experts analysis	Sufficient level of support from Partner Countries and IFIs for investments in this sector.

<b>Output 1 related to Outcome 2</b>	<b>2.1</b> Increased sustainable inclusive economic growth with improved livelihoods and decent employments	<p>2.1.1 Export of goods and services as percentage of GDP (SDG 1.15) (Percentage (%))</p> <p>2.1.2 Growth rates of household expenditure or income per capita among the bottom 40 per cent of the population and the total population (SDG 10.1.1) (Percentage (%))</p> <p>2.1.3 Number of countries and policy instruments to ensure decent employments including ratification of Conventions of the International Labour Organization and respective implementation plans</p>	Baseline to be defined at the inception phase	Target for 2027 to be confirmed during inception phase	<p>2.1.1 World Bank data</p> <p>2.1.2 United Nations statistics</p>	<p>Sufficient level of initiative from Partner Countries and IFIs for investments aimed at improving the business climate</p> <p>Availability of reliable data from Financial Institutions</p>
<b>Output 2 related to Outcome 2</b>	<b>2.2</b> Improved competitiveness and sustainability of the local private sector	2.2.1 Global Competitiveness Index (Ranking)	Baseline to be defined at the inception phase	Target for 2027 to be confirmed during inception phase	2.2.1 World Economic Forum <a href="http://reports.weforum.org/global-competitiveness-report-2014-2015/?doing_wp_cron=1626254766.5302131175994873046875">http://reports.weforum.org/global-competitiveness-report-2014-2015/?doing_wp_cron=1626254766.5302131175994873046875</a>	Sufficient level of initiative from Partner Countries and IFIs for investments aimed at improving the business climate
<b>Output 3 related to Outcome 2</b>	<b>2.3</b> Increased private inclusive & sustainable investment	<p>2.3.1 Domestic credit to private sector (% of GDP) (Percentage)</p> <p>2.3.2 Foreign direct investment net inflows as percent of GDP (Percentage (%))</p>	Baseline to be defined at the inception phase	Target for 2027 to be confirmed during inception phase	<p>2.3.1 World Bank Statistics</p> <p>2.3.2 World Bank Statistics</p>	<p>Availability of reliable data from Financial Institutions</p> <p>Availability of a monitoring, reporting and verification system, which includes an obligation to report on gender</p>

<b>Output 4 related to Outcome 2</b>	<b>2.4</b> Increased private sector engagement and leverage	2.4.1 Gross fixed capital formation (% of GDP) (Percentage) 2.4.2 Number of new private sector firms investing in sector/value chain [X] (Number of firms) - data disaggregated by sex and age  2.4.3 Number and value of Private Partnership in Infrastructure (Number and Currency) with EU support 2.4.4 Levels of private co-financing (Currency (€, \$, local currency))	Baseline to be defined at the inception phase	Target for 2027 to be confirmed during inception phase	2.4.1 World Bank Statistics 2.4.2. Experts analysis of sector and/or value chain 2.4.3 World Bank Statistics 2.4.4 DFIs	Availability of reliable data from Financial Institutions
<b>Output 5 related to Outcome 2</b>	<b>2.5</b> Improved and inclusive access to markets and/or value chains	2.5.1 Proportion of companies that report facing non-tariff measures related obstacles to trade (Percentage) - data disaggregated by sex and age  2.5.2 Number of new (formal or informal) MSMEs linked to new value chains (national or international), disaggregated by sector and sex of MSME owner/head	Baseline to be defined at the inception phase	Target for 2027 to be confirmed during inception phase	2.5.1 International Trade Centre, non-tariff measures surveys  2.5.2 Monitoring and Evaluation/ experts analysis	Availability of reliable data from Financial Institutions

<b>Output 6 related to Outcome 2</b>	<b>2.6</b> Improved inclusive access and use of diversified financial services, including from innovative financial instruments (for M&SMEs, women, youth and rural populations)	<p>2.6.1 Number of individuals with access to financial services with EU support, disaggregated by: - type of service (access to loans, guarantees, banking services etc.) - modalities (electronic or face to face) - user type (sex, age, etc) (Number of individuals)</p> <p>2.6.2 Number of firms with access to financial services thanks to EU support,. disaggregated by: - type of service (access to loans, guarantees, banking services etc.) - modalities (electronic or face to face) - user type (sex of head of firm, age of head of firm, etc)</p> <p>2.6.3 World Bank Doing Business "getting credit"*ranking/score</p>	Baseline to be defined at the inception phase	Target for 2027 to be confirmed during inception phase	<p>2.6.1 Monitoring and Evaluation/ experts analysis</p> <p>2.6.2 Monitoring and Evaluation/ experts analysis</p> <p>2.6.3 World Bank: <a href="http://www.doingbusiness.org/data">http://www.doingbusiness.org/data</a></p> <p>2.6.4 National surveys, project level surveys, Monitoring and Evaluation/ experts analysis</p>	<p>Availability of reliable data from Financial Institutions</p> <p>Availability of a monitoring, reporting and verification system, which includes an obligation to report on gender</p>
<b>Output 1 related to Outcome 3</b>	<b>3.1</b> Improved digital infrastructure and connectivity	<p>3.1.1 Number of households with access to fixed broadband connectivity, disaggregated by urban/rural and type of internet service (wired or wireless broadband network)</p> <p>3.1.2 Number of people with access to mobile broadband connectivity, disaggregated by sex, urban/rural (Number)</p>	Baseline to be defined at the inception phase	Target for 2027 to be confirmed during inception phase	<p>3.1.1Telecommunication/ICT regulatory authority, Ministry of ICTs. Baseline and endline surveys conducted and budgeted by the EU-funded intervention.</p> <p>3.1.2Telecommunication/ICT regulatory authority, Ministry of ICTs. Baseline and endline surveys conducted and budgeted by the EU-funded intervention.</p>	<p>Availability of data from Partner Countries Telecommunication/ ICT regulatory Authorities and Ministries of ICT</p>

<b>Output 2 related to Outcome 3</b>	<b>3.2</b> Increased competitiveness of digital businesses and job creation in the digital domain as well as in other sectors profiting from digital input	<p>3.2.1 _Number of indirect jobs supported by the EU - data disaggregated by sex</p> <p>3.2.2 Number of new jobs created in companies benefitting from digitalization support provided by APIF facility - data disaggregated by sex and age</p> <p>3.2.3 Number of digital start-up enterprises led by women who benefit from financial support and/or training, funded by the EU</p>	Baseline to be defined at the inception phase	Target for 2027 to be confirmed during inception phase	<p>3.2.1 Intervention M&amp;E system</p> <p>3.2.2 Expert analysis to be commissioned by APIF</p>	Availability of a monitoring, reporting and verification system, which includes an obligation to report on gender
<b>Output 3 related to Outcome 3</b>	<b>3.3</b> Increased connection to open, affordable and secure broadband connectivity and digital infrastructure, especially for youth, women, vulnerable groups and rural communities	<p>3.3.1 _Number of Mobile Subscriptions (disaggregated by data/no data services enabled) - data disaggregated by sex and age</p> <p>3.3.2 Number of Fixed Data Subscriptions (disaggregate by commercial and non-commercial subscriptions) (Number) - data disaggregated by sex and age</p>	Baseline to be defined at the inception phase	Target for 2027 to be confirmed during inception phase	<p>3.3.1 Annual data from Telecommunication/ICT regulatory authority, Ministry of ICTs; Baseline and endline surveys conducted and budgeted by the EU-funded intervention</p> <p>3.3.2 Annual data from Telecommunication/ICT regulatory authority, Ministry of ICTs; Baseline and endline surveys conducted and budgeted by the EU-funded intervention</p>	<p>Availability of data from Partner Countries Telecommunication/ICT regulatory Authorities and Ministries of ICT</p> <p>Availability of surveys on EU-funded interventions</p> <p>Availability of a monitoring, reporting and verification system, which includes an obligation to report on gender</p>

## 4. IMPLEMENTATION ARRANGEMENTS

### 4.1. Financing Agreement

In order to implement this action, it is not envisaged to conclude a financing agreement with the partner country

### 4.2. Indicative Implementation Period

The indicative operational implementation period of this action, during which the activities described in section **Error! Reference source not found.** will be carried out and the corresponding contracts and agreements implemented, is 120 months from the date of adoption by the Commission of this Financing Decision.

Extensions of the implementation period may be agreed by the Commission's responsible authorising officer by amending this Financing Decision and the relevant contracts and agreements.

### 4.3. Implementation Modalities

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures.<sup>3</sup>

#### 4.3.1. Contribution to Asia Pacific Investment Facility

This contribution may be implemented under indirect management with the entities, called Lead Finance Institutions, identified in the appendix to this Action Document.

Individual projects and the relevant Lead Finance Institutions will be selected using the following criteria: (i) alignment with the strategic priorities (ii) compliance with EU policies, sector/thematic policies; (iii) additionality of EU contribution; (iv) potential cooperation on policy dialogue topics and (v) maturity of the project preparation.

Moreover in accordance with Article 27.(7) the Regulation (EU) No 2021/947/, financial instruments, budgetary guarantees and blending operations under the Instrument shall be implemented in accordance with the principles laid down in Article 209(1) of the Financial Regulation and whenever possible under the lead of the EIB, a multilateral European finance institution, such as the European Bank for Reconstruction and Development, or a bilateral European finance institution, such as development banks, possibly pooled with additional other forms of financial support, both from Member States and third parties

Also in accordance with the recommendations made under the EU Platform for Blending in External Cooperation (EUBEC), the involvement of non-European FIs as lead financiers should be examined by the EFSD+ Strategic Board on a case by case basis following a targeted approach, based on the specific added value as a lead financier brought in a particular project or region. This would include those aspects in which non-European FIs might contribute to fill the gap left by European FIs, in particular regarding their :

- a) specific thorough knowledge of local conditions and presence in the region,
- b) specific analytical capacities and specific expertise and know-how, notably on private sector financing and the promotion of financial instruments and /or of innovative financing tools that attract private funding,

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<sup>3</sup> [www.sanctionsmap.eu](http://www.sanctionsmap.eu) Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

- c) specific know-how and experience in relevant sectors,
- d) additional technical and/or financial capacity to substantially leverage further resources.

#### 4.4 Scope of Geographical Eligibility for Procurement and Grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply.

The Commission's authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of services in the markets of the countries or territories concerned, or in other duly substantiated cases where application of the eligibility rules would make the realisation of this action impossible or exceedingly difficult (Article 28(10) NDICI-Global Europe Regulation).

#### 4.5. Indicative Budget

Indicative Budget components	EU contribution	EU contribution
	Y 2021 (amount in EUR)	Y 2022 (amount in EUR)
<b>1. RIP contribution to APIF</b>	<b>62 844 645,23</b>	<b>112 155 354,77</b>
<b>of which:</b>		
• BL Middle East/Central Asia	<b>22 844 645,23</b>	<b>27 155 354,77</b>
•	<b>35000 000</b>	<b>65 000 000</b>
• BL other Asia	<b>5 000 000</b>	<b>20 000 000</b>
•		
• BL Pacific		
<b>Evaluation – c.f. section 5.2</b>	<b>will be covered by</b>	
<b>Audit - c.f. section 5.3</b>	<b>another Decision</b>	
<b>Communication and visibility – cf. section 6</b>	<b>n/a</b>	
<b>Totals</b>	<b>175 000 000</b>	

#### 4.6. Organizational Set-up and Responsibilities

The Asia Pacific Investment Facility will operate under the governance of the EFSD+ Operational Board framework. The operational decision-making process will be prepared in a two level structure:

- opinions on projects will be formulated at the Board meetings, held if possible back to back with the respective financing instrument's committee (NDICI Committee);

- such opinions will be prepared in dedicated Technical Meetings.

The Board is chaired by the Commission. The EEAS and the EU Member states are members who provide an opinion. FIs participate as observers. The opinion of the Board can be positive, negative or recommend re-submission of project proposals. FIs will be present for the purposes of presenting their proposals and responding to any request for clarifications on proposals submitted. The conclusions – reached according to NDICI rules - of the meetings including their justifications will subsequently be communicated to the Financial Institutions in writing. The Board will also be responsible for:

- providing guidance to participating institutions on appropriate future financing proposals (based on strategic priorities defined in the context of the programming process and further discussed in the strategic meetings - see hereunder), monitor and review the pipeline of projects, based on the results of the discussions at the technical level;
- examining project related results (including the annual reports) and monitor the portfolio of approved projects;
- promoting exchanges of best practices;
- drawing upon the specific expertise of the Finance institutions as appropriate and respect the appropriate division of labour;
- examining the involvement of non-European FIs as lead financiers on a case by case basis following a targeted approach, based on the specific added value as a lead financier brought in a particular project or region.

The Board would meet two to four times a year, depending on the needs. To improve efficiency, Board meetings will be held back to back with NDICI Committee meetings whenever possible. When duly justified by time constraints, opinion on projects could be requested by written procedure.

Technical assessment meetings (TAMs) chaired by the Commission with the participation of EEAS and Finance Institutions will be held to:

- review and discuss the pipeline to ensure coordination at an early stage, including in relation to geographical balance and agreed EU political objectives. Results of the pipeline discussion shall be transmitted to the Boards.
- assess project proposals submitted by a so called Lead Financial Institution based on the appropriate application form. The proposal will also be shared with other Financial Institutions for peer review and possible written comments. In particular, such assessment will include alignment to EU policy objectives, the justification of the added value of the grant contribution, social and environmental aspects, appropriate financial structure and other issues such as debt sustainability.
- facilitate exchanges on best practices across regions, including the possible development of selected blending operations or financial instruments that extend across geographical regions.

Such meetings will be held on a regular basis depending on the needs and will be organised pragmatically bringing together appropriate experts from the FI's, the Commission and the EEAS. If appropriate such meetings may include or be complemented by virtual meetings and/or written exchanges facilitated by the Secretariat. The Lead Financial Institution, on the basis of and depending on the comments made, will then be able to submit a revised proposal for further technical discussions at a later technical meeting or a final revised application form in view of the submission to the Board. In accordance with the recommendations made under the EU Platform for Blending in External Cooperation, non-European Finance Institutions active in a particular region should be invited to attend relevant technical and Board meetings as observers.

Strategic orientations will be discussed with beneficiary countries in dedicated strategic meetings when appropriate, under the ownership principle of EU development cooperation. The Commission and the EEAS will conduct and co-chair strategic discussions at the appropriate level with Member States, beneficiary countries and relevant regional organisations. Financial Institutions will participate in the



discussions as observers. These strategic discussions will cover regional investment plans and priorities, provide strategic and policy guidance and advice for identification and preparation of the most relevant proposals for blending and for the Board to review the pipeline and approve the most relevant projects for achieving the objectives of the EU- Asia Strategy.

The Commission will ensure the secretariat of the NDICI blending framework. Regarding this role, its tasks may include but are not limited to: providing opinions on individual blending operations, coordinating the internal Commission/EEAS consultation process including DG BUDG, DG SJ, DG ECFIN and DG SG; monitoring of implementation at facility level; consolidation of the pipeline on the basis of the information provided by the Financial Institutions; reporting to EU institutions; production of regular up-to-date information and annual reports on the facilities; preparation of exchanges on best practices etc. The Commission will also provide support in the organisation of communication events and the general implementation of the communication strategy (websites and other communication tools), thereby contributing to the visibility of the EU. The Secretariat organises the technical level assessment of proposals and is the central contact point for all stakeholders involved in the blending framework.

Gender equality, human rights and human rights-based approach expertise will be ensured during the implementation of the facility as possible. They will also be integrated in relevant documents (i.e. ToRs, CfPs etc) as minimum requirements of expertise. As part of its prerogative of budget implementation and to safeguard the financial interests of the Union, the Commission may participate in the above governance structures set up for governing the implementation of the action.

## **5. PERFORMANCE MEASUREMENT**

Monitoring and evaluation will assess gender equality results and the implementation of the rights based approach working principles (applying all human rights for all; meaningful and inclusive participation and access to decision-making; non-discrimination and equality; accountability and rule of law for all; and transparency and access to information supported by disaggregated data).

Monitoring and evaluation will be based on indicators that are disaggregated at least by sex, age, and even further when applicable.

### **5.1. Monitoring and Reporting**

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (Outputs and direct Outcomes) as measured by corresponding indicators, using as reference the logframe matrix (for project modality) and the partner's strategy, policy or reform action plan list (for budget support).

Roles and responsibilities for data collection, analysis and monitoring:

In accordance with Regulation (EU) No 947/2021, financial instruments may be grouped into facilities for implementation and reporting purposes. The Commission will report annually to the European Parliament and the Council on the activities relating to the Asia Pacific Investment Facility, including the details laid down in Article 209 of Regulation (EU, Euratom) 2018/1046. Reporting will also be carried out at an individual operational level by the entrusted entities, in line with the contractual provisions of the bilateral agreement that the Commission will sign with these entities.

The entrusted entities should provide all the relevant information on the execution of the projects in order to enable the European Commission to carry out the required follow up of the actions. As per the

recommendation of the EU Platform for Blending and External Cooperation (EUBEC), the Commission will monitor the performance of the projects benefiting from APIF grants based on the minimum set of results indicators listed in Appendix II, as may be adapted from time to time following the EU Platform on Blending in External Cooperation discussions and considering the relevant EU Result Framework, or any further indicator agreed. The reporting shall also enable the Commission to report on the performance indicators defined in the EU Results Framework as well as in the Regional Indicative Programme and – where applicable – the relevant bilateral Multiannual Indicative Programme

The day-to-day technical and financial monitoring of the implementation of contracts funded under the Facility will be a continuous process and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and direct outcomes) as measured by corresponding indicators. The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

## **5.2. Evaluation**

Having regard to the importance of the action, a mid-term and ex-post evaluations may be carried out for this actions or its components via independent consultants contracted by the Commission or through a joint mission. It will be carried out for accountability and learning purposes at various levels.

The Commission shall inform the implementing partners at least 30 days in advance of the dates envisaged for the evaluation missions. The implementing partners shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the projects premises and activities

The evaluation reports shall be shared with the partner countries and other key stakeholders following the best practice of evaluation dissemination<sup>4</sup>. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner countries, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the projects.

The financing of the evaluation shall be covered by another measure constituting a Financing Decision.

## **5.3. Audit and Verification**

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audit or verification assignments for one or several contracts or agreements. The financing of the audit shall be covered by another measure constituting a financing decision.

# **6. STRATEGIC COMMUNICATION AND PUBLIC DIPLOMACY**

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<sup>4</sup> See best [practice of evaluation dissemination](#)

The 2021-2027 programming cycle will adopt a new approach to pooling, programming and deploying strategic communication and public diplomacy resources.

It will remain a contractual obligation for all entities implementing EU-funded external actions to inform the relevant audiences of the Union's support for their work by displaying the EU emblem and a short funding statement as appropriate on all communication materials related to the actions concerned. This obligation will continue to apply equally, regardless of whether the actions concerned are implemented by the Commission, partner countries, service providers, grant beneficiaries or entrusted or delegated entities such as UN agencies, international financial institutions and agencies of EU member states.

However, action documents for specific sector programmes are no longer required to include a provision for communication and visibility actions promoting the programmes concerned. These resources will instead be consolidated in Cooperation Facilities established by support measure action documents, allowing Delegations to plan and execute multiannual strategic communication and public diplomacy actions with sufficient critical mass to be effective on a national scale.

## APPENDIX I – Reporting in Opsys

An Intervention<sup>5</sup> (also generally called project/programme) is the operational entity associated to a coherent set of activities and results structured in a logical framework aiming at delivering development change or progress. Interventions are the most effective (hence optimal) entities for the operational follow-up by the Commission of its external development operations. As such, Interventions constitute the base unit for managing operational implementations, assessing performance, monitoring, evaluation, internal and external communication, reporting and aggregation.

Primary Interventions are those contracts or groups of contracts bearing reportable results and respecting the following business rule: ‘a given contract can only contribute to one primary intervention and not more than one’. An individual contract that does not produce direct reportable results and cannot be logically grouped with other result reportable contracts is considered a ‘support entities’. The addition of all primary interventions and support entities is equivalent to the full development portfolio of the Institution.

Primary Interventions are identified during the design of each action by the responsible service (Delegation or Headquarters operational Unit).

The level of the Primary Intervention is defined in the related Action Document and it is revisable; it can be a(n) (group of) action(s) or a (group of) contract(s).

Tick in the left side column one of the three possible options for the level of definition of the Primary Intervention(s) identified in this action.

In the case of ‘Group of actions’ level, add references to the present action and other action concerning the same Primary Intervention.

In the case of ‘Contract level’, add the reference to the corresponding budgetary items in point **Error! Reference source not found.**, Indicative Budget.

<b>Option 1: Action level</b>		
<input checked="" type="checkbox"/>	Single action	Present action: all contracts in the present action
<b>Option 2: Group of actions level</b>		
<input type="checkbox"/>	Group of actions	Actions reference (CRIS#/43350)
<b>Option 3: Contract level</b>		
<input type="checkbox"/>	Single Contract 1	
<input type="checkbox"/>	Single Contract 2	
<input type="checkbox"/>	Single Contract 3	
	(...)	

<sup>5</sup> [ARES \(2021\)4204912](#) - For the purpose of consistency between terms in OPSYS, DG INTPA, DG NEAR and FPI have harmonised 5 key terms, including ‘action’ and ‘Intervention’ where an ‘action’ is the content (or part of the content) of a Commission Financing Decision and ‘Intervention’ is a coherent set of activities and results which constitutes an effective level for the operational follow-up by the EC of its operations on the ground. See more on the [concept of intervention](#).

## APPENDIX II: Indicative list of Lead Finance Institutions

- European Investment Bank (EIB)
- European Bank for Reconstruction and Development (EBRD)
- World Bank Group:
  - International Bank for Reconstruction and Development (IBRD)
  - International Finance Corporation (IFC)
- Agence Française de Développement (AFD)
- Kreditanstalt für Wiederaufbau (KfW)
- Consiglio Nazionale delle Ricerche (CNR)
- Cassa depositi e prestiti (CDP)
- Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden (FMO)
- Promotion et Participation pour la Coopération Économique (PROPARCO)
- Asian Development Bank (ADB)