Question for written answer E-013562/2015
to the Commission
Rule 130
Louis Aliot (ENF)

Subject: Blending of grants and loans in funding development assistance

According to the Commission, public support for investments in developing countries is highly successful, to the extent that it is contributing to an increase in private funding in official development assistance.

With about EUR 2 billion in subsidies, the Commission has apparently raised EUR 19 billion from development banks, generating more than EUR 42 billion in investments, according to the Director of DG DEVCO.

However, it would appear that the effectiveness of blending has been disputed by the European Court of Auditors, which has stated that for the period 2007-2013, the need for public funding was demonstrated only for ‘half of the projects considered’.

The Court even wonders whether those projects really required public financing at all or if they would have been possible without any subsidies, without wasting public aid that is already scant.

1. Is this proposal relating to loan and grant blending not likely to result in Member States dispensing with the target of devoting 0.7% of their gross national income to development aid?

2. Furthermore, does the increase in private sector funding not risk directing assistance to emerging countries rather than to the least developed countries, given that projects there would be the most profitable?