

Blended Concessional Finance Principles for Private Sector Projects

Blended Finance is one of the complementary tools that IFC uses to create markets and bring about development impact. IFC uses a disciplined and targeted approach when it comes to blending concessional donor funds with its own commercial funds by applying the following five principles:



1. **Additionality & Rationale for Blended Concessional Finance**

Contribution that is beyond what is available, otherwise absent from the market



2. **Crowding-in and Minimum Concessionality**

Contribute to catalyzing market development and mobilization of private sector resources, with concessionality not greater than necessary



3. **Commercial Sustainability**

Impact achieved by each operation should aim to be sustainable and contribute towards commercial viability



4. **Reinforcing Markets**

Addresses market failures effectively and efficiently and minimizes the risk of market distortion or crowding out private finance



5. **Promoting High Standards**

Promote adherence to high standards, including in the areas of corporate governance, environmental impact, integrity, transparency, and disclosure