Six Principles for a Good Blended Finance Transaction

Hi! My name is Andrea Feigl, and I'm the CEO of the Health Finance Institute. Through the course of this video, I will explain the benefits of blended finance, and discuss six principles that are critical to the success to shaping blended finance vehicles.

So, the six principles that you need to watch out for are:

1. Number one. Clearly communicate your proposed intervention so that it is easy to understand, and you can also create buy-in from partners outside your sector.
2. Two, make sure your impact is measurable, over time and in a digital fashion.
3. Principle three. Clearly map out aligned stakeholders. It is very important not just to say what your intervention will do, but also who needs to pay, who benefits, and who likely will have a stake. So, with that mapping, it's much easier to sell that partnership that will

rely on multiple partners to come together.
4. Principle number 4. Make sure that you secure at least one core partner at the early stages.
5. Principle number 5. Ensure a minimum transaction size of 20 million dollars. Why? Structuring a blended finance partnership has an upfront cost. This upfront cost is pretty stagnant in size, no matter the transaction, so you want to focus on projects that have a minimum transaction size in total and are scalable in the future.
6. Number 6, understand and know your regulatory environment. It is very important to understand where the public-private partnerships are favored in your environment.

So, by understanding these six principles, I hope that we have shared some critical information about blended finance partnerships. However, we are happy to answer any of your questions at info@healthfinanceinstitute.org. Thank you.