

Additional €25 million for key investment projects in the European Neighbourhood region

Today, the European Commission decided to allocate €25 million additional funding to the Neighbourhood Investment Facility (NIF), raising the total contribution this year to €110 million. The NIF is a key and innovative instrument for the intensified European Neighbourhood Policy (ENP) allowing neighbouring partner countries to leverage increased funding for major investment projects. Activities under the NIF focus on key areas such as energy, transport and environment. Moreover, investments into the social sector are supported, such as for example construction of schools and hospitals. Additionally, Small and Medium Enterprises (SMEs) also benefit from funding.

The additional €25 million will be split into €22 million supporting projects in Eastern Europe and the southern Caucasus and €3 million in favour of operations in Mediterranean countries. Out of the 700 million that the Commission intends to allocate to the NIF for the period of 2007 – 2013, with this additional contribution 295 million have now been made available.

Background:

Through the NIF, the Commission provides grant support for lending operations of European Development Finance Institutions in EU Neighbourhood countries. Since the official launch of the NIF in May 2008, 35 projects were approved, representing a total investment of more than €10 billion. The NIF contribution to these projects totalled €260 million.

Projects financed under the NIF cover a wide range of different sectors throughout the Neighbourhood, from the construction of a 200 MW wind-farm in the Gulf of El-Zayt in Egypt to the modernisation of Chisinau clinical hospital in the Republic of Moldova or the extension and rehabilitation of a number of waste water treatment plants and pumping stations in Tunisia. Moreover, the NIF enabled the establishment of a European Neighbourhood Fund (ENBF) supporting SMEs particularly affected by the financial crisis in the Eastern Neighbourhood.

At the 9th operational meeting of the NIF Board on 2 July 2010, a considerable difference was observed between resources still available for the year under the NIF and the pipeline of projects presented by eligible European public finance institutions both in the East and in the South. Resources were particularly scarce for the Eastern Neighbourhood; that is why the distribution between the two regions for this additional contribution of €25 million from the EU Budget targets mostly the Eastern neighbourhood region.

Download the 2009 Annual Operational Report of the NIF:

http://ec.europa.eu/europeaid/where/neighbourhood/regional-cooperation/irc/documents/vi_operational_annual_report_2009_nif_en.pdf

Additional Information:

- On the Neighbourhood Investment Facility (NIF):

http://ec.europa.eu/europeaid/where/neighbourhood/regional-cooperation/irc/investment_en.htm

- On the European Neighbourhood Policy (ENP):

http://ec.europa.eu/world/enp/index_en.htm

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