



EUROPEAN COMMISSION - WEB RELEASE

Additional funding allocated to the Neighbourhood Investment Facility to support key investment projects

Brussels, 5 August 2011 – The European Commission has decided to grant an additional €100 million to the Neighbourhood Investment Facility (NIF) for this year.

This substantial contribution will support neighbouring partner countries in addressing the new challenges faced by the entire region, in particular in the Mediterranean, by leveraging increased funding for major investment projects in key areas such as energy, transport and environment, as well as in the social sector. Development of the private sector, in particular Micro, Small and Medium Enterprises (MSMEs), which play a key role in employment creation, will also be strongly targeted.

Background

The NIF was officially launched in May 2008 in order to strengthen overall EU grant support for lending operations carried out by European multilateral and bilateral development finance institutions in ENP partner countries.

Through the NIF, the Commission provides grant support for lending operations of European Development Finance Institutions in EU Neighbourhood countries. Out of the €745 million that the Commission intends to allocate to the NIF for the period of 2007 – 2013, €395 million have now been made available (€50 million approved in 2007, €50 million in 2008, €85 million in 2009, €110 million in 2010 and €100 million for this year). The EU Budget contribution is complemented by direct contributions from 15 Member States for a total amount of approximately €63 million to date.

Operations focus on those Eastern and Southern neighbouring countries which have already signed a European Neighbourhood Plan (ENP) action plan with the EU. Nevertheless, on a case by case basis, other neighbouring countries may also benefit from NIF grant, for example in the case of projects of cross-border or regional nature.

To date the Facility has supported 44 projects representing a total investment cost of over €10 billion.

Projects already funded cover a wide range of sectors; from the construction of a 200 MW wind-farm in the Gulf of Al-Zeit in Egypt to the improvement of the water supply and waste water treatment infrastructure in selected municipalities in the Republic of Moldova, Armenia and Georgia or the modernisation of the high speed urban railway network in Tunis. Moreover the NIF supported the establishment of the Eastern Partnership SME Finance Facility, one of the flagship initiatives of the

Eastern Partnership, contributing to the strengthening of the banking and SME sector in the Eastern Neighbourhood.

For more info:

Download the 2010 Annual Operational Report of the NIF:

http://ec.europa.eu/europeaid/where/neighbourhood/regional-cooperation/irc/documents/annual_report_nif_2010_en.pdf

- 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://eeas.europa.eu/enp/index_en.htm