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COMMISSION IMPLEMENTING DECISION

of 31.5.2016

**on the Neighbourhood Investment Facility, part of the European Neighbourhood wide
Action Programme 2016 to be financed from the general budget of the European Union**

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THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation of the European Parliament and of the Council (EU) No 236/2014 establishing common implementing rules and procedures for the implementation of the Union's instruments for external action¹, and in particular Article 2(1) thereof,

Having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council regulation (EC, Euratom) No 1605/2002², and in particular Article 84(2) thereof,

Whereas:

- (1) The Commission has adopted the '*European Neighbourhood – wide measures*' Priorities (2014-2020) document³ and the Multiannual Indicative Programme (2014-2017) which indicates as priority 1 “Building a partnership for inclusive economic development and integration” that includes support to investment and social and private sector development and makes reference to the Neighbourhood Investment Facility (NIF).
- (2) The objectives pursued by the European Neighbourhood wide measures programme to be financed under the European Neighbourhood Instrument⁴ are 1) the Technical Assistance and Information Exchange Programme (TAIEX): to provide EU expertise to European Neighbourhood partner countries to achieve their progressive integration into the Union internal market and enhanced sector and cross-sectoral co-operation including through legislative approximation and regulatory convergence towards Union and other relevant international standards and related institutional building; 2) the Support for the Improvement in Governance and Management programme (SIGMA): to support European Neighbourhood partner countries to make significant progress in their public governance reforms by enhancing the capacity of the public administration and transfer of know-how and best-practices to reinforce horizontal systems of public governance through provision of high level European public expertise; and 3) the NIF: to facilitate additional investments in infrastructure in transport, energy, environment, with a particular focus on climate change mitigation and adaptation, and to support social and private sector development in the European Neighbourhood Partner Countries.

¹ OJ L 77, 15.3.2014, p. 95.

² OJ L 298, 26.10.2012, p. 1.

³ C(2014) 5196.

⁴ Regulation of the European Parliament and of the Council establishing a European Neighbourhood Instrument, OJ L 77, 15.3.2014, p. 27.

- (3) It is necessary to adopt a financing Decision, the detailed rules of which are set out in Article 94 of the Commission Delegated Regulation (EU) no 1268/2012⁵.
- (4) The Commission should entrust budget-implementation tasks under indirect management to the entities specified in this Decision, subject to the conclusion of a delegation agreement. In accordance with Article 60(1) and (2) of Regulation (EU, Euratom) No 966/2012, the authorising officer responsible needs to ensure that these entities guarantee a level of protection of the financial interests of the Union equivalent to that required when the Commission manages Union funds. The European Investment Bank (EIB), the Council of Europe Development Bank (CEB), the Nordic Investment Bank (NIB), the Nordic Environment Finance Corporation (NEFCO⁶), the Agence Française de Développement (AFD), the Kreditanstalt für Wiederaufbau (KfW) and the Italian Società Italiana per le Imprese all'Estero (SIMEST) comply with the conditions of points (a) to (d) of the first subparagraph of Article 60(2) of Regulation (EU, Euratom) No 966/2012 and the supervisory and support measures are in place as necessary. European Bank for Reconstruction and Development (EBRD) is currently undergoing the ex-ante assessment under Regulation (EU, Euratom) No 966/2012. In anticipation of the results of this review, the authorising officer responsible deems that, based on the entity's entities positive assessment under Council Regulation (EC, Euratom) No 1605/2002⁷ and on the long-standing and problem-free cooperation with it budget-implementation tasks can be entrusted to this entity.
- (5) The Spanish Agency for International Development Cooperation (AECID) will undergo the ex ante assessment in accordance with Article 61(1) of Regulation (EU, Euratom) No 966/2012 related to financial instruments. In anticipation of the results of this review the responsible authorising officer deems that, based on the entities positive assessment under Council Regulation (EU, Euratom) No 966/2012 and on the longstanding and problem free cooperation with these entities, budget implementation tasks can be entrusted to them.
- (6) The Commission may entrust budget-implementation tasks under indirect management to the partner country specified in this Decision, subject to the conclusion of a financing agreement. In accordance with Article 60(1)(c) of Regulation (EU, Euratom) No 966/2012, the responsible authorising officer needs to ensure that measures are taken to supervise and support the implementation of the entrusted tasks to the partner country. A description of these measures and the entrusted tasks should be laid down in the Annexes.
- (7) It is necessary to allow the payment of interest due for late payment on the basis of Article 92 of Regulation (EU, Euratom) No 966/2012 and Article 111(4) of Delegated Regulation (EU) No 1268/2012.
- (8) The Commission is required to define the term "non-substantial change" in the sense of Article 94(4) of Delegated Regulation (EU) No 1268/2012 to ensure that any such changes can be adopted by the authorising officer by delegation, or sub-delegation (hereinafter referred to as the 'responsible authorising officer').

⁵ OJ L 362, 31.12.2012, p. 1.

⁶ The Decision to be an eligible Lead Institution under the NIF framework is still subject to a positive opinion of the Board.

⁷ Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities (OJ L 248, 16.9.2002, p.1).

- (9) The measures provided for in this Decision are in accordance with the opinion of the European Neighbourhood Instrument Committee set up by the basic act referred to in ENI Regulation⁸,

HAS DECIDED AS FOLLOWS:

Article 1

Adoption of the measure

The following Action Programme, as set out in the annex, is adopted:

- Annex – Action document for the contribution from the 2016 general budget of the European Union to the Neighbourhood Investment Facility (NIF).

Article 2

Financial contribution

The maximum contribution of the European Union authorised by this Decision for the implementation of this Action programme referred to in Article 1 is set at EUR 199 500 000 to be financed as follows:

- EUR 146 500 000 from budget line 22.04.01.02 and

- EUR 53 000 000 from budget line 22.04.02.02

of the general budget of the European Union for 2016.

Article 3

Implementation modalities

Budget-implementation tasks under indirect management may be entrusted to the entities identified in the attached Annexes, subject to the conclusion of the relevant agreements.

Section 4 of the Annexes referred to in the second paragraph of Article 1 sets out the elements required by Article 94(2) of Delegated Regulation (EU) No 1268/2012.

The financial contribution referred to in Article 2 may also cover any possible interests due for late payment.

Article 4

Non-substantial changes

Increases or decreases of up to EUR 10 million not exceeding 20% of the contribution referred to in the first paragraph of Article 2, or cumulated changes to the allocations of specific actions not exceeding 20% of that contribution shall not be considered substantial within the meaning of Article 94(4) of Delegated Regulation (EU) No 1268/2012 where those changes do not significantly affect the nature and objectives of the actions. The responsible authorising officer may adopt these non-substantial changes in accordance with the principles of sound financial management and proportionality.

⁸ OJ L 77, 15.3.2014, p. 27.

Done at Brussels, 31.5.2016

For the Commission
Johannes HAHN
Member of the Commission



This action is funded by the European Union

ANNEX 1

of the Commission Implementing Decision on the Neighbourhood Investment Facility,
part of the European Neighbourhood wide Action Programme 2016

Action Document to contribute to the Neighbourhood Investment Facility (NIF)

1. Title/basic act/ CRIS number	Contribution from the 2016 general budget of the European Union to the Neighbourhood Investment Facility (NIF) CRIS number: 039-399 (South) and 039-344 (East) financed under European Neighbourhood Instrument	
2. Zone benefiting from the action/location	a) European Neighbourhood Policy (ENP) countries with an ENP Association Agenda/Action Plan in force. ¹ b) Other ENP Countries ² (and exceptionally other third countries, as set out in the ENI Regulation), in particular in case of projects with a cross-border and regional nature to which the Union attaches particular interest, and following a unanimous decision of the Board.	
3. Programming document	European Neighbourhood –wide measures Priorities (2014-2020) ³ and Multiannual Indicative Programme (2014-2017)	
4. Sector of concentration/ thematic area	Investment in infrastructure and support to SMEs	
5. Amounts concerned	Total amount of European Union (EU) budget contribution: EUR 199 500 000 of which EUR 146 500 000 for budget line 22.040102 (South) and EUR 53 000 000 for budget line 22.040202 (East) This action is co-financed by entities and for amounts specified in the indicative project pipeline which is an appendix of this Action	

¹ At the time of writing of this document: Armenia, Azerbaijan, Egypt, Georgia, Israel (assistance to be provided in line with the Guidelines on the eligibility of Israeli entities and their activities in the territories occupied by Israel since June 1967 for grants, prizes and financial instruments funded by the EU from 2014 onwards), Jordan, Lebanon, Moldova, Morocco, Palestine, Tunisia and Ukraine. Israel is normally only eligible for subsidies under regional projects, as it has status as a developed country.

² At the time of writing of this document: Algeria, Belarus, Libya and Syria

³ C(2014)5196

	Document.			
6. Aid modality(ies) and implementation modality(ies)	Project Modality This action regarding this Regional Blending Facility shall be implemented in indirect management by entities to be indicated in complementary financing decisions to be adopted at the end of the Regional Blending Facilities award procedure.			
7 a) DAC code(s)	<ul style="list-style-type: none"> - 41010 - 23010 - 21010 - 32130 - 16050 	Sector	<ul style="list-style-type: none"> - Environmental policy and administrative management; - Energy policy and administrative management; - Transport policy and administrative management; - SME development; - Multi-sector aid for basic social services 	
b) Main Delivery Channel	46000 – Regional Development Bank			
8. Markers (from CRIS DAC form)	General policy objective	Not targeted	Significant objective	Main objective
	Participation development/good governance	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Aid to environment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Gender equality (including Women In Development)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Trade Development	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Reproductive, Maternal, New born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Main objective
	Biological diversity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
9. Global Public Goods and Challenges (GPGC) thematic flagships	NA			

SUMMARY

The Neighbourhood Investment Facility (NIF) is a blending facility which combines European Union (EU) grant contributions with other public and private sector resources such as loans and equity in order to leverage additional non-grant financing.

The NIF will support projects prepared by the eligible European Financial Institutions in the Neighbourhood in line with objectives defined in the Strategic Orientations:

Strategic objective 1: Establishing better and more sustainable energy and transport interconnections (between the EU and neighbouring countries and between the neighbouring

countries themselves), improving energy efficiency and demand management, promoting the use of renewable energy sources, strengthening energy security through diversification of energy supplies and energy market integration, and supporting investments related to the implementation of EU agreements, including Deep and Comprehensive Free Trade Area Agreements (DCFTAs), as set out notably in the European Neighbourhood Policy (ENP) Association Agendas / Action Plans or other equivalent jointly agreed documents;

Strategic objective 2: Addressing climate change, as well as threats to the environment more broadly;

Strategic objective 3: Promoting smart, sustainable and inclusive growth through support to small and medium sized enterprises, to the social sector, including human capital development, and to municipal infrastructure development.

The NIF will prioritise projects that significantly contribute to achieving EU policy objectives in the region, as described inter alia in EU Council Conclusions, EU Agreements, ENP Action Plans as well as the European Neighbourhood Instrument (ENI) regional and bilateral strategy papers for the Neighbourhood. In the East sub-region, priorities will also take into account policy objectives set by Eastern Partnership platforms and panels, the Eastern Partnership transport network and the Energy Community. In the South region sectoral cooperation initiatives, strategies and plans supported by the Union for the Mediterranean will also be taken into account.

The Facility is designed to combine EU grants with other public and private financing. By reducing, through co-financing, the overall cost or risk of the project or by subsidising interest rates and/or financing technical assistance, the Facility will encourage the beneficiary governments, private sector and/or public institutions to carry out essential investments in sectors which would otherwise be postponed due to lack of resources.

Decisions on NIF financing are conditioned to the additionality of NIF contribution: the NIF does not support any operation which could normally be financed by the market.

1. CONTEXT

1.1. Context

In accordance with the Regulation (EU) No 236/2014 the Union should seek the most efficient use of available resources in order to optimise the impact of its external action. That should be achieved through coherence and complementarity between the Union's instruments for external action, as well as the creation of synergies between the Instruments and other policies of the Union. This should further entail mutual reinforcement of the programmes devised under the Instruments, and, where appropriate, the use of financial instruments that have a leverage effect.

In line with the European Neighbourhood Policy – that was launched in 2004 and reviewed in 2011 and in 2015⁴ – the ENI support will focus on promoting human

⁴ JOIN(2015)50 final, 18.11.2015

rights and the rule of law; establishing deep and sustainable democracy and developing a thriving civil society; sustainable and inclusive growth and economic, social and territorial development; including progressive integration in the EU internal market; regional integration; including connectivity and cross-border cooperation programmes.

In order to achieve the objectives of the ENP, reduce the social, economic and political barriers between the EU and its neighbours and to extend EU policy initiatives to Neighbour countries, bilateral and regional financial assistance foreseen under the ENI will promote essential reforms, capacity building and modernisation measures in the partner countries. Parallel to this, vital capital investments must be made to rehabilitate, modernise or build essential infrastructure needed for safe and efficient transport of goods and people; for an efficient, secure and safe production, transport and consumption of energy; for effective environmental protection, in particular to ensure the quality of water, air and soil, as well as sustainable waste management and climate change related issues. In addition, capital is also needed for the provision of basic social services such as health and education; and to develop private sector, in particular Small and Medium sized Enterprises (SMEs).

The current state of the legal/regulatory framework as well as the fragile public finance situation of many partner countries tend to limit both the private and the public sector's investment capacities and level of borrowing. Investments with a guaranteed financial return and/or immediate economic and political impact are favoured over investments of collective interest yielding economic returns on a much longer term horizon.

The ENP policy framework highlights as one of the priorities of our cooperation with partner countries to contribute to their economic development and modernisation, investment and for developing employment opportunities in particular for the youth. The EU is committed to step up its cooperation in the Neighbourhood region in partnership with European and International Financial Institutions to promote investment and development initiatives that contribute to achieve inclusive growth and employment and improve living conditions for citizens. Moreover, actions to strengthen partnerships with the private sector should be promoted, and the use of innovative approaches such as blending grants and loans as an important way of leveraging additional resources and increasing the impact of EU aid should be boosted.

Based on the above described context, the European Commission, in this Decision, renews the NIF through the ENI, in support to the implementation of the ENP Action Plans and the NIF Strategic Orientations.

1.2. Sector and regional context: policies and challenges

The ENP is a strategic priority of the EU and aims at establishing a wider area of prosperity, stability and security involving the EU and its neighbours. The ENP is based on a bilateral and differentiated relation between the EU and each neighbouring country. Bilateral Action Plans and Association Agendas are the key ENP operational tools. The Action Plans and Associated Agendas cover a wide range of reform objectives of interest to the EU and the partner country and at the same time identify a number of clear priorities. The EU supports the implementation of

these Action Plans and Associated Agendas through the provision of technical expertise and financial support.

The ENP is chiefly a bilateral policy between the EU and each partner country. It is further enriched and complemented by regional and multilateral co-operation initiatives: the Eastern Partnership, the Euro-Mediterranean Partnership (EUROMED) (the Euro-Mediterranean Partnership, formerly known as the Barcelona Process, re-launched in Paris in July 2008 as the Union for the Mediterranean), and the Black Sea Synergy (launched in Kiev in February 2008).

Launched in 2009, the Eastern Partnership is a joint initiative between the EU, EU countries and the Eastern European partner countries. It enables partner countries interested in moving towards the EU and increasing political, economic and cultural links to do so. It is underpinned by a shared commitment to international law and fundamental values - democracy, the rule of law and respect for human rights and fundamental freedoms - and to the market economy, sustainable development and good governance.

The Union for the Mediterranean (UfM) is also providing impetus to the co-operation with partner countries of the Southern Mediterranean and further involves EU's Mediterranean partners in regional co-operation activities. In addition to an upgrade of the "institutional framework" the UfM also aims at mobilising support for a number of very concrete regional projects, some of which build on EU initiatives notably the de-pollution of the Mediterranean, the creation of maritime and land highways, the establishment of a Mediterranean Solar plan, the establishment of an Euro-Mediterranean University and initiatives to support the development of SMEs and job creation.

The ENP also offers to its partners a very concrete set of opportunities through its sector policies. These cover a broad range of issues, reaching from employment and social policy, trade, industrial and competition policy to agriculture and rural development, climate change and environment. They also include energy security, transport, private sector development, research and innovation, as well as support to health and education, culture and youth.

In addition, a new Civil Society Facility was created in September 2011 to strengthen the capacity of civil society to promote and monitor reforms, and increase public accountability.

In 2014 the three countries Georgia, Moldova and Ukraine in the Neighbourhood East region signed an Associated Agreement with the EU including a Deep and Comprehensive Free Trade Area (DCFTA) agreement. In the Southern Neighbourhood DCFTA negotiations with Morocco and Tunisia have been launched. The DCFTAs offer new opportunities for trade and further integration of their economies with the EU, but also require major adaptations including for the private sector.

Taking into consideration the above EU policy objectives set for the Neighbourhood area, the Commission shall ensure when implementing financial instruments that there is at the same time a common interest in achieving the policy objectives defined for a financial instrument, possibly fostered by provisions such as co-

investment, risk-sharing requirements or financial incentives, while preventing a conflict of interests with other activities of the entrusted entities.

Another challenge is the fact that some of these countries are already nearing the debt ceilings agreed with the International Monetary Fund (IMF), so particular attention should be taken when approving the specific proposals, to help preserve long term debt sustainability.

1.3. Stakeholders

The final beneficiaries of the Facility will be the Partner countries, either directly or indirectly through their central, regional and local administrations or semi-public institutions.

Other final beneficiaries will be the private sector and in particular SMEs for categories of operations dedicated to the private sector development.

Partner countries listed in Annex I of Regulation (EU) No 232/2014 and being part of the Eastern Partnership policy will be eligible for NIF financing following the signature of an ENP Action Plan. This does not apply to countries that do not qualify for ENI support because of their level of development. Other countries may be eligible for NIF funding, under certain conditions, to be decided on a case-by-case basis (e.g. regional interest).

Multilateral and national European development finance institutions will be direct partners and important stakeholders of the Facility.

2. RISKS AND ASSUMPTIONS

The main assumptions are:

- A stable political and security climate on the regional level in general and on the country level in particular is needed to promote and secure investments.
- Partner countries are ready to increase the level of investments on their own resources as well as through loans.
- The pipelines of operations is of sufficient quality and volume and provide sufficient additionality.
- Partner countries and other local beneficiaries are supportive to the projects prepared by the eligible European Financial Institution.

The main risk is:

- External debt sustainability as some countries in the Neighbourhood are already close to the debt limit set by the IMF.

3. LESSONS LEARNT, COMPLEMENTARITY AND CROSS-CUTTING ISSUES

3.1. Lessons learnt

Allocations to the NIF from the EU Budget have reached since 2007 a total of EUR 1,445 million. Additionally, Member States have contributed to the NIF Trust Fund with a total of EUR 80 million. This has enabled the implementation of 116 projects with NIF support. The NIF contribution has succeeded in mobilising approximately EUR 14 billion of financing from European and International Finance Institutions since 2008 and a total investment amount of EUR 30 billion i.e. leverage of 20 times in investment for every euro provided by the Facility. The success of the NIF as an effective instrument in the Neighbourhood to leverage investments and achieve greater development impact is also evidenced by a greater demand than available resources from the multilateral allocation and the increase in demand for top-ups from the regional and bilateral budgets.

The Mid-Term Evaluation (MTE) of the NIF under the European Neighbourhood and Partnership Instrument (ENPI) 2007-2013 was finalised in May 2013. The purpose of the evaluation was to assess the progress of the programme against its original objectives and to produce recommendations to improve its effectiveness. The evaluation focussed on the analysis of the mechanism and its procedures since the inception of the Facility.

The conclusions and recommendations of the evaluation are incorporated in the appraisal and adoption of new projects, as indicated here below.

Relevance to the objectives

The MTE states that NIF has proven to be an effective instrument within the ENP and highlights that the NIF achieved its goal of leveraging significant financial resources through grants. The executive summary notes “a steady increase in number of projects and volumes of allocations” and “effective coordination amongst Finance Institutions”.

The MTE report confirms that NIF projects are overall relevant to the NIF strategic objectives. It recommends, however, that more attention should be paid to its regional interconnectivity aspects as well as to its cross-cutting objectives, including policy dialogue.

NIF operations

The evaluation noted a relatively balanced geographical and sectoral distribution of projects. It recommends, at the same time, establishing a system which could allow for prioritisation of projects according to their relevance and expected impact.

In terms of project design, sound processes and good standards implemented by Financial Institutions were observed. The evaluators noted that social, environmental and climate change concerns were adequately addressed in the appraisal process. The recommendation in this regard points to enhancing co-ordination with the EU Delegations, which although steadily improving over the last two years, could be

further improved. The same recommendation applies for the process of consulting civil society organisations and beneficiaries.

The three-tiered governance structure of the instruments has been deemed to be effective although the evaluators identified that some of its aspects need strengthening, for example the resource allocation mechanisms, the monitoring and evaluation functions and the transparency of the decision-making process.

One of the positive aspects underlined by the evaluators with regard to the NIF is that it has significantly contributed to the development of partnerships and increased co-ordination and enhanced cooperation between the Financial Institutions and the Commission as well as amongst the Financial Institutions themselves. The evaluators recommend further developing the co-ordination mechanisms at national and regional levels.

Finally, the evaluation recommends introducing a results-based monitoring system specific for NIF blending projects as well as strengthening the communication and visibility aspects.

The European Court of Auditors published a special report⁵ on the EU blending facilities (including the NIF) in October 2014. The conclusions were to a large extent in line with the above mentioned ones: blending the facilities' grants with loans from FIs to support EU external policies was found generally effective and projects were relevant. The recommendations covered the following aspects: need to improve the documentation on additionality of the grant and its level, produce guidelines, ensure more pro-active role of EU Delegations, simplify the decision making process, improve Commission's monitoring of the projects and ensure appropriate visibility for EU funding.

Many of these recommendations have already been dealt with by the Platform for Blending in External Cooperation (EUBEC), set-up in December 2012, including the development of a harmonised and improved project application form and its guidelines as well as the development of a results measurement framework with standard indicators.

In addition, the NIF is working since 2014 in the context of a revised and harmonised governance framework – including revised project application forms and project development guidance –that improves the accountability of the decision making process while reducing transaction costs.

The decision making-process has been shortened by the abolishment of a provisional approval phase. Projects that have been positively assessed by the Technical Meeting are directly submitted to the board for a recommendation for financing.. A second notable change is the more intensive involvement of the EU Delegations all along the project preparation by the Eligible Financial Institutions (EFIs) and a stronger focus on the discussion on the NIF pipeline.

Additionally, following the requirement of Article 140 of Regulation (EU, Euratom) No 966/2012 an ex-ante evaluation of the NIF has been carried out.

⁵ European Court of Auditors' special report no. 16/2014. The effectiveness of blending regional investment facility grants with financial institution loans to support EU external policies.

Based on the ex-ante evaluation and on the success so far achieved by the NIF, it is expected that blending will be an increasingly important tool for the EU in the current Multiannual Financial Framework (2014-2020).

3.2. Complementary actions

The NIF is complementary to regional programmes and initiatives for the Eastern Neighbourhood. For example in the Neighbourhood East, cooperation with regional programmes for Eastern Neighbourhood aiming at enabling a more positive investment climate, such as INOGATE (the EU's regional energy cooperation programme), including support to energy diversification (e.g. Southern Corridor) and security of supply, TRACECA (the EU's regional transport cooperation programme), the SME Flagship Initiative, the Eastern Partnership (EaP) Environment Governance Flagship and municipal development initiatives such as the Covenant of Mayors. Furthermore, the NIF is complementing support to the countries related to the requirements arriving from the Association Agreements and the DCFTAs by strengthening in particular the ability of the private sector to respond to the new challenges and opportunities.

In the Neighbourhood South, NIF operations can be complementary to other national and regional initiatives, for example: in the field of energy, the NIF support the Mediterranean Solar plan, in the area of power generation from renewable energy sources; energy efficiency and energy savings; renewable energy transmission capacities for connection to the grid; and cross-border transmission connections. The NIF can also support transport projects which are on the Trans-Mediterranean Transport Network (TMN-T), as endorsed at the 2013 UfM Mediterranean Ministerial Conference in Brussels. NIF can contribute to projects in line with the Horizon 2020 initiative to de-pollute the Mediterranean Sea and the National Action Plans under the Barcelona Convention focusing on sustainable urban development and pollution reduction (waste water, municipal solid waste and industrial emissions) related to the main pollution hotspots of the region, in particular those ending up in the Mediterranean Sea, as emphasised by the 2014 UfM Ministerial meeting on Environment and Climate Change and the 2015 UFM Ministerial Conference on the Blue Economy. The NIF will complement various climate change-related activities in the region, both at regional and bilateral level (such as CLIMA South project, the activities of the newly established UfM climate change expert group, and bilateral projects including twinning). Since the beginning of 2011 the NIF has also included a Climate Change Window (CCW) to support the implementation of projects helping partner countries tackle climate change through mitigation and/or adaptation measures. The NIF CCW is managed in a streamlined way and has in general the same rules and the same financing and implementation modalities as the NIF. It enables the tracking of all climate change related projects funded by the EU. According to the OECD-DAC6 categories, these projects should be earmarked as Rio Marker 2. They can target either mitigation or adaptation or both of them and should contribute to the objective of stabilisation of greenhouse gas (GHG) concentrations in the atmosphere. Operations could address all relevant fields in line with the ones of the facility.

⁶ The Organisation for Economic Co-operation and Development's Development Assistance Committee.

The NIF complements the development of the private sector through different initiatives including enhancing the financing of micro and SMEs and support to trade development / DCFTAs. The Charter / Small Business Act (SBA) coordinators should be consulted and involved where relevant, in particular regarding support to policy dialogue activities and the enabling environment.

3.3. Donor coordination

By enabling joint European operations (combining bilateral and community grant funding with EFI's loan operations), the NIF has generated greater coherence and better coordination between the donors, in line with the Paris Declaration principles and in compliance with the EU Financial Regulation. Member States' resources have reinforced the Union's effort. The NIF is financing larger operations, better support partners in carrying out necessary reforms and investments and bring greater visibility for the European dimension of external cooperation. In many cases, co-financing with non EU financial institutions has further improved donor coordination.

The NIF governing bodies are providing a very suitable arena for coordination amongst EFIs and amongst Member States. These platforms allow regular discussions on pipelines, priority projects and synergies between projects.

3.4. Cross-cutting issues

Partner countries and eligible financial institutions will ensure that all projects financed with EU budget respect Union principles in terms of environmental and social impact, public procurement, state aid, and equal opportunities. Infrastructure projects should take account of risk assessments to identify project's vulnerability to disaster risks, including longer-term expected effects from climate change. Risk-sensitive infrastructure should be promoted.

4. DETAILED DESCRIPTION

4.1. Objectives

The NIF's main purpose is to promote additional investments in sustainable infrastructure in transport, energy, environment, including climate change mitigation and adaptation, and to support social and private sector development in Eastern and Southern Partner Countries. In particular the Facility will support the growth of micro and SMEs by making available a range of financial instruments in particular through risk-sharing capital mechanisms.

The leverage effect of the NIF contributions is expected to generate at least a multiplying factor of 4 to 5 times the amount of the NIF contributions. The input of the financial institutions will increase the leverage effect on policy dialogue and additional resources to be directed towards the neighbourhood beneficiary countries.

Operations financed by financial institutions pooling their loan resources in combination with NIF support will allow increasing risk and crediting ceilings to the benefit of the partner countries and promote the financing of categories of

investments which at present cannot be financed either by the market or by development Finance Institutions separately.

This financing decision concerns the 2016 European Union contribution to the Facility. NIF annual contributions are programmed at Neighbourhood-wide level; they are complemented by specific funds from Neighbourhood regional programmes and/or bilateral programmes, as well as by direct additional contributions from Member States, which are kept in the NIF trust fund managed by the European Investment Bank (EIB). Concerning the former, they are as follows:

a) In the South:

- An allocation of EUR 40 million from Egypt's bilateral cooperation (Single Support Framework) to the NIF, to contribute to investments in the water and sanitation sectors, including climate change considerations; as well as to support projects in the field of private sector development (focusing on SMEs and job creation);
- An allocation of EUR 20 million from the Southern Neighbourhood regional cooperation programme to the NIF, to support private sector and trade development.

b) In the East:

- An allocation of EUR 10 million from Armenia's bilateral cooperation (Single Support Framework) to the NIF, to support jobs and growth in rural Armenia including through support to strengthen water resource management, and to agricultural producers.

The indicative pipeline of project proposals for the East and the South is included as appendix to the Action Document.

Furthermore, considering the EU commitment to dedicate 20% of its budget to climate related issues, an appropriate contribution to this objective under this programme will be promoted.

4.2. Expected results and main activities

The expected results of the NIF are increased investment in the following sectors contributing to:

- (1) Better and more sustainable transport infrastructure, notably:
 - better (faster, cheaper, disaster resilient, more sustainable and safer) transport infrastructure within beneficiary countries and between them;
 - better interconnection between the EU and the Neighbours through the extension of the Trans-European Network to the East and South;
 - faster and cheaper movement of people and goods between the EU and its neighbours, and between neighbours and the Member States particularly on the sub-regional level, while respecting EU environmental standards.
- (2) Better and more sustainable energy infrastructure, notably:
 - the improvement of transit connections between EU and Neighbour countries as well as between partner countries, thus increasing security of energy supply for the EU and for the Neighbours;

- the improvement of safety and security of energy infrastructure and respect of EU environmental standards;
 - the improvement of energy efficiency and energy savings;
 - the increase of production and use of renewable energy (wind, solar energy).
- (3) Increased protection of the environment and enhanced resilience to disasters and climate changes impacts in synergy with low carbon development, notably:
- the promotion of sustainable integrated waste management (household, municipal and industrial) including necessary related infrastructures, as well as relevant climate change considerations;
 - the introduction of sustainable integrated water management, including necessary related infrastructure;
 - the reduction of air, soil and water (including marine) pollution including monitoring infrastructure when needed;
 - the promotion of climate change related investments, i.e. renewable energy, energy efficiency and saving, sustainable consumption and production including resources efficiency and other climate and environment friendly techniques.
- (4) Support to trade facilitation, notably:
- support to SMEs to finance investments to comply with standards and technical trade regulations;
 - support to SMEs to facilitate its trade with the EU and other regions;
 - support DCFTA relate infrastructure and equipment (in particular laboratories).
- (5) Improved social services and infrastructures, notably:
- better access to health care and improved health services installations in urban and rural areas;
 - better education facilities, increased access to education in urban and rural areas;
 - improved vocational training facilities.
- (6) Creation and growth of SMEs and improvement of the employment situations:
- better access to financing for micro and SMEs (availability of a larger range of financial products than what is currently available) at the different stages of enterprise creation, restructuring, modernisation etc.;
 - Supporting SMEs through the use of risk-sharing capital mechanisms by investing in private equity and venture capital funds; investing in microfinance; providing guarantees to microfinance or other innovative instruments such as co-investing alongside Business Angels, Incubators and Accelerators and investing in innovation and technology transfers;
 - Support to human capital development infrastructure such technical vocational and knowledge centres, creation of technological poles, enterprise incubators etc.

The types of operations which can be financed under the NIF are the following:

- Direct investment Grants
- Interest rate subsidies

- Guarantees
- Technical assistance;
- Risk capital operations;
- Any other risk sharing mechanisms.

Risk capital operations, guarantees or any other risk sharing mechanisms should be structured in such a way as to ensure alignment of interest with entrusted entities.

5. IMPLEMENTATION ISSUES

5.1. Financing agreement

In order to implement this action, it may be foreseen to conclude financing agreements with the partner countries, referred to in Article 184(2)(b) of Regulation (EU, Euratom) No 966/2012.

5.2. Indicative implementation period

The indicative operational implementation period of this action, during which the activities described in sections 3.2. and 4.3. will be carried out, is 180 months from the date of entry into force of the financing agreement or, when none is concluded, from the adoption of this Action Document, subject to modifications to be agreed by the responsible authorising officer in the relevant agreements. The European Parliament and the relevant Committee shall be informed of the extension of the operational implementation period within one month of that extension being granted.

5.3. Implementation components and modules

5.3.1. ENI Blending Framework

The NIF will operate under the governance of the ENI blending framework.

The operational governance of the NIF will be organised in a two level structure:

- opinions on projects will be formulated by the Board, held whenever possible back to back with the ENI Committee;
- such opinions will be prepared in dedicated Technical Assessment Meetings.

Strategic orientations are discussed with beneficiary countries in dedicated strategic meetings, under the ownership principle of the EU development cooperation. Strategic discussions at highest level with Member States, beneficiary countries and relevant regional organisations will take place. Financial Institutions will participate in the discussions as observers. These strategic discussions provide strategic and policy guidance to the Board.

EU Members States or other donors will be able to contribute to a dedicated **NIF Trust Fund**. The latter will also operate under the governance structure of the ENI blending framework (one single governance structure for both the NIF and the NIF

Trust Fund), with slightly different voting procedures to reflect the additional contributions of EU Member States or other contributors.

Rules of procedure were approved by the NIF Board meeting of 27 November 2015 and further detail the decision making process as well as the organisation of the strategic meetings. The NIF Trust Fund agreement will reflect the general governance arrangements agreed under the ENI blending framework and include the specificities of the NIF Trust Fund.

The Board is chaired by the Commission and is composed of representatives of the Commission, the European External Action Service (EEAS), the EU Member States as voting members, and EFIs as observers. In principle the Board aims to deliver opinions on project proposals by consensus. If no consensus can be found the Board will vote. EFIs will be present mainly for the purposes of presenting their proposals and responding to any request for clarifications on proposals submitted but not present during the formal formulation of opinions by the Board. The part of the meeting where opinions on EU contribution requests are expressed will be restricted only to voting members. The conclusions including their justifications will be subsequently communicated to the EFI in writing.

The Board will also be responsible for:

- providing guidance to participating institutions on appropriate future financing proposals (based on Strategic Orientations), monitor and review the pipeline of projects, based on the results of the discussions at the technical level;
- examining project related results (including the NIF annual report) and monitor the portfolio of approved projects;
- promoting exchanges of best practices;
- drawing upon the specific expertise of the Finance institutions as appropriate and respect the appropriate division of labour.

The Board would meet two to four times a year, depending on the needs and whenever possible back to back with ENI Committee meetings. When duly justified by time constraints, opinions on projects could be requested by written procedure.

The recommendations of the Board must be incorporated in relevant Commission decisions for the EU budget as mandated by the relevant Financial Regulation and its Implementing Rules/Rules of Application.

Technical meetings chaired by the Commission with the participation of EEAS and EFIs will be held to:

- review and discuss the pipeline to ensure coordination at an early stage, including in relation to geographical balance and agreed EU political objectives as well as to available resources. Results of the pipeline discussion shall be transmitted to the Board.
- assess project proposals submitted by a so called Lead Financial Institution based on the appropriate application form. The proposal will also be shared with other EFIs for peer review and possible written comments. In particular, such assessment will include alignment to EU policy objectives, the justification of the added value of the grant contribution, social and environmental aspects, appropriate financial structure and other issues such as debt sustainability.

- facilitate exchanges on best practices across regions, including the possible development of selected blending operations or financial instruments that extend across geographical regions.

Such meetings will be held on a regular basis depending on the needs and will be organised pragmatically bringing together appropriate experts. If appropriate such meetings may include or be complemented by virtual meetings and/or written exchanges facilitated by the Secretariat. The Lead Financial Institution, on the basis of and depending on the comments made, will then be able to submit a revised proposal for further technical discussions at a later technical meeting or a final revised application form in view of the submission to the Board.

The Commission will ensure the secretariat of the ENI blending framework, supporting the Board in all its tasks (opinions on individual blending operations, internal consultation, monitoring at facility level, consolidation of the pipeline on the basis of the information provided by the EFIs including a short project description and the outcome of the pipeline discussion, production of regular up-to-date information and annual reports on the facilities, preparation of exchanges on best practices.). It will also support in the organisation of communication events and the general implementation of the communication strategy (websites and other communication tools), thereby contributing to the visibility of the EU. The Secretariat also organises the technical level assessment of proposals and is the central contact point for all stakeholders involved in the blending frameworks.

5.3.2. *Contribution to the Neighbourhood Investment Facility*

This contribution may be implemented under indirect management with the entities, called Lead Financial Institutions, and for amounts identified in the appendix of this action document, in accordance with Article 58(1)(c) of Regulation (EU, Euratom) No 966/2012. The entrusted budget-implementation tasks consist in the implementation of procurement, grants, financial instruments and payments. The entrusted Member State agency or international organisation shall also monitor and evaluate the project and report on it.

In addition, budget-implementation tasks may be sub-delegated by the entrusted entity to the partner country in accordance with 4(7) of Regulation (EU) No 236/2014. The entrusted budget-implementation tasks shall be carried out according to the rules assessed and approved by the Lead Financial Institution. Payments may be executed by the partner country under the control by the Lead Financial Institution.

The Lead Financial Institutions are not definitively known at the moment of adoption of this Action Document but are indicatively listed in its appendix. A complementary financing decision will be adopted under Article 84(3) of Regulation (EU, Euratom) No 966/2012 to determine the Lead Financial Institutions definitively.

In accordance with Article 4.1.(e) of the Regulation (EU) No 236/2014 this contribution may be implemented through indirect management whenever possible under the lead of the EIB in line with its external mandate under Decision No 1080/2011/EU, a multilateral European financial institution such as the European

Bank for Reconstruction and Development (EBRD) , or a bilateral European financial institution, e.g. bilateral development banks.

The Lead Financial Institution will be awarded a contract for an individual operation based on its operational and financial capacity.

The Commission will only entrust budget implementation tasks to Lead Financial Institutions which have been assessed through the pillar assessment pursuant to Article 60 of Regulation (EU, Euratom) No 966/2012 and have transparent, non-discriminatory, efficient and effective review procedures in place. The European Investment Bank (EIB), the Council of Europe Development Bank (CEB), the Nordic Investment Bank (NIB), the Nordic Environment Finance Corporation (NEFCO⁷), the Agence Française de Développement (AFD), the Kreditanstalt für Wiederaufbau (KfW) and the Italian Società Italiana per le Imprese all'Estero (SIMEST)) comply with the conditions of points (a) to (d) of the first subparagraph of Article 60(2) of Regulation (EU, Euratom) No 966/2012 and the supervisory and support measures are in place as necessary. The European Bank for Reconstruction and Development (EBRD is currently undergoing the ex-ante assessment under Regulation (EU, Euratom) No 966/2012. In anticipation of the results of this review, the authorising officer responsible deems that, based on the entity's entities positive assessment under Council Regulation (EC, Euratom) No 1605/2002 and on the long-standing and problem-free cooperation with it, budget-implementation tasks can be entrusted to this entity.

The Spanish Agency for International Development Cooperation (AECID) will undergo the ex-ante assessment in accordance with Article 61(1) of Regulation (EU, Euratom) No 966/2012 related to financial instruments In both cases and in anticipation of the results of such assessments the responsible authorising officer deems that, based on a preliminary evaluation and on the longstanding and problem free cooperation with these entities, they can be trusted with budget implementation tasks under indirect management.

5.4. Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant⁸ award procedures and in terms of origin of supplies purchased as established in the basic act shall apply.

The responsible authorising officer may extend the geographical eligibility in accordance with Article 9(3) of Regulation (EU) No 236/2014 on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

5.5. Indicative budget

⁷ The decision to be an eligible Lead Institution under the NIF framework is still subject to a positive opinion of the Board.

⁸ With regard to Israeli entities: follow Guidelines on the eligibility of Israeli entities and their activities in the territories occupied by Israel since June 1967 for grants, prizes and financial instruments funded by the EU from 2014 onwards (OJ C 205, 19.7.2013, p. 9)

Module	Amount in EUR	Third party contribution in EUR (indicative, where known)
Contribution for NIF projects in the South <i>(from budget line 22.040102)</i>	146 500 000	
Contribution for NIF projects in the East <i>(from budget line 22.040202)</i>	53 000 000	
Total	199 500 000	

5.6. Reporting and Performance monitoring

In accordance with Regulation (EU) No 236/2014, financial instruments may be grouped into facilities for implementation and reporting purposes. The Commission will report annually to the European Parliament and the Council on the activities relating to the NIF including the details laid down in Article 140 of Regulation (EU, Euratom) No 966/2012. Reporting will also be carried out at an individual operational level by the entrusted entities, in line with the contractual provisions of the bilateral agreement that the Commission will sign with these entities. Policy impact of actions will be communicated to the political level on a regular basis in relation to key aspects of the agreed policy.

As per the recommendation of the evaluation, the Commission will monitor the performance of the projects benefiting from a NIF grant based on the results indicators listed here below. This performance monitoring will be carried out in indicators for each operation, based on the following indicative framework of sector-specific indicators:

a) Transport

- Length of new or upgraded roads;
- Users of new or upgraded roads;
- Length of new or upgraded railways;
- Rail use;
- Length of new or upgraded urban transport lanes;
- Urban transport users;
- Port terminal capacity (passenger, container or cargo);
- Ports: Terminal(s) user traffic (passenger, container or cargo);
- Airport terminal capacity; and
- Airport use.

b) Environment/Water and Sanitation, and climate change

- Length of new or rehabilitated water supply pipes;
- Population benefitting from safe drinking water;
- Length of new or rehabilitated sewer pipes installed;
- Population benefitting from improved sanitation services;
- New connections to water supply;
- Potable Water Produced;
- Water treatment capacity;
- Wastewater Treated and

- Wastewater treatment capacity;
 - Reduced GHG emissions from waste.
- c) Energy
- Transmission and distribution lines installed or upgraded;
 - Population benefitting from electricity production;
 - New connections to electricity;
 - Power production;
 - Additional capacity from conventional electricity production;
 - Additional capacity from renewable energy sources; and
 - Energy efficiencies.
- d) Social Sector (social housing, health, education)
- New and/or refurbished habitable floor area;
 - Population benefitting from improved housing, health and/or education conditions;
 - Bed occupancy rate;
 - Inpatients;
 - Outpatients consultations;
 - New and/or refurbished health facilities;
 - New and/or refurbished educational facility;
 - Students/researchers benefitting from new/refurbished educational facility;
 - Students enrolled.
- e) Trade and Private Sector Development
- For direct operations: access to finance: number of units served among relevant target group (including when feasible for women entrepreneurs);
 - For indirect operations: access to finance: number of units served among relevant target group (including when feasible for women entrepreneurs);
 - For direct operations: access to finance: Amount of outstanding loans to relevant target group;
 - For indirect operations: access to finance: Amount of outstanding loans to relevant target group;
 - For indirect operations: new financing made available to financial intermediaries (e.g. banks, microfinance institutions, funds);
 - For direct operations: number of MSMEs reporting increased turnover (as a result of direct support received from the FIs); and
 - For both direct and, where feasible, indirect operations: Number of jobs sustained (resulting from the project).
- f) Cross sector indicators
- Total number of beneficiaries (segregated when feasible by gender);
 - Number of beneficiaries living below the poverty line (whose living conditions are improved by the project);
 - Relative (net)/Greenhouse gas emissions impact;
 - Direct employment: construction phase;
 - Direct employment: operation and maintenance.

5.7. Evaluation and audit

At the level of the individual operations, monitoring, evaluation and audit tasks will be carried out under the responsibility of the Lead Financial Institution and will be organised according to the requirements of each project. In addition, the Commission reserves the right to undertake external evaluations and audits in accordance with

international standards, and in that case it shall be financed by other financial sources.

Operations can be the subject of financial control by the Commission (including by OLAF) as well as by the European Court of Auditors.

5.8. Communication and visibility

The European Commission and its implementing partners will abide by the visibility rules for European Union financing as per relevant provisions in the respective project agreements and contracts.

As stated by the NIF Strategic Orientations 2014-2020, and reflecting the outcome of the evaluation of NIF 2008-2013, the objectives pursued by NIF and the results expected in terms of improving the lives of people in an inclusive and sustainable way, need to be clearly articulated and broadly communicated by the EU, lead financiers under NIF and partner countries, so as to demonstrate that the shared political commitments between the EU and partner countries deliver concrete results for the population.

For each individual project, a communication and visibility plan will be prepared by the lead EFI in cooperation with the EU, allowing in particular the involvement of the EU Delegations at key stages of the projects. The European Commission will publish an annual activity report providing an overview of the financed projects.

ANNEX – Appendix 1: NIF South Indicative Pipeline 2016

Sub-region	Country	Lead Finance Institution	Operation's Title	Sector	Estimated Total Investment cost (M€)	NIF estimated Request (M€)
South	Egypt	EBRD / EIB	Support to national rural sanitation programme	Water and Environment	300	55
South	Egypt	EBRD / EIB	Support to business environment / MSMEs / job creation	Private sector development	100	30
South	Egypt	AFD	Urban transport Alexandria	Transport	113	13
South	Egypt	AFD / EIB	Urban development and job creation in Alexandria	Inclusive development	45	15
South	Egypt	EBRD / AFD / EIB	Cairo light railway	Transport	500	55
South	Jordan	AFD / EIB	Support to Aqaba urban development	Urban development	35	5
South	Jordan	AFD / EIB	Regional and local development programme	Economic development	36	6
South	Jordan	EBRD / EIB	Waste-water plant (As-Samra phase II)	Water	190	46
South	Jordan	EIB / AFD	Jordan Highway – R15	Transport	120	12
South	Lebanon	EIB	Lebanese highway	Transport	150	4.5
South	Morocco	AFD	Support to Education	Human resources development	80	4
South	Morocco	AFD / KFW / EIB	National sanitation programme	Water and Environment	200	15
South	Tunisia	EIB / AFD	H2020 Assainissement des zones cotiers	Water and Environment	110	8

Sub-region	Country	Lead Finance Institution	Operation's Title	Sector	Estimated Total Investment cost (M€)	NIF estimated Request (M€)
South	Tunisia	EIB/ AFD / KFW	H2020 Mise en terril du phosphogypse á Gabes ⁹	Environment	200	20
South	Tunisia	EIB / AFD	Tunisia National Medinas Investment programme	Economic development	80	15
South	Tunisia	EIB /AFD	Tunisia rehabilitation des quartiers populaires (URR)	Urban development	80	15
South	Regional	EBRD	Extension of the Small Business Support (SBS)to Palestine and Lebanon	Private sector development	7	6
South	Regional	EIB	DCFTA South support facility (2 nd instalment)	Trade development	70	10
South	Regional	EBRD	DCFTA South support facility (2 nd instalment)	Trade development	70	10
South	Regional	EBRD / KFW	Green for Growth fund	Energy / Environment	330	13
South	Regional	EIB	Med-ELENA (Sustainable energy in public sector)	Energy	150	45

⁹ There will be a need to limit the content of cadmium in fertilisers in line with EU legislative proposal.

ANNEX – Appendix 2: NIF East Indicative Pipeline 2016

Sub-region	Country	Lead Finance Institution	Operation's Title	Sector	Estimated Total Investment cost (M€)	NIF estimated Request (M€)
East	Armenia	EIB	M6 Interstate Road	Transport	102	6
East	Armenia	KfW	Integrated Water Resources Management & Rural Irrigation Efficiency	Water, environment	214.5	10
East	Azerbaijan	EBRD	Eastern Europe Energy Efficiency and Environment Partnership, E5P	Energy efficiency/Environment	100	10
East	Georgia	EIB	Chumateleti - Argveta, new Ricotti tunnel	Transport	1000	25
East	Georgia	KfW	Water Supply & Sanitation in rural communities of Adjara	Water, Waste Water	30	4
East	Georgia	KfW	Power Transmission Network Program	Energy	tbd	10
East	Georgia	EBRD	Georgian Solid Waste Project - Containers and Collection Vehicles	MEI	15	5
East	Georgia	CEB	Municipal Infrastructure/Water and Waste Water	Water, Waste Water	65	6
East	Moldova	EBRD	Moldova Romania Power Interconnector Phase 1	Energy	140	20
East	Moldova	EIB	Moldova Flood Protection	Water, Environment	40-60	20
East	Ukraine	EIB	Ukraine Higher Education	Energy Efficiency	172	16

Sub-region	Country	Lead Finance Institution	Operation's Title	Sector	Estimated Total Investment cost (M€)	NIF estimated Request (M€)
East	Ukraine	EIB	Railway infrastructure preparation and implementation support	Transport	400	4
East	Ukraine	KfW	Kakhovska Hydropower Plant	Energy	390	17
East	Ukraine	KfW	Power Transmission Efficiency Project	Energy	tbd	12
East	Regional	EBRD	Support to improve local capital markets and increase local currency lending for SMEs	SME	50-100	11
East	Regional	EIB/KfW	European Fund for Southeast Europe - EFSE	SME	974	30
East	Regional	EIB	Municipal Project Support Facility - Phase 2 –	Energy Efficiency	530	8
East	Regional	EIB	DCFTA East	Private sector	1.18	34
East	Regional	EBRD	DCFTA Facility	SME	tbc	37.5
East	Regional	EIB/KfW	Green for Growth Fund	Energy	332	25

Note : The preparation of projects for the transport sector need to coordinated with the works and priorities established by the “EaP Transport Panel”