

Brussels, 20 July 2009

## The European Commission allocates €70 million for key investment projects in the EU's Neighbourhood

*The Neighbourhood Investment Facility (NIF), a key instrument of the intensified European Neighbourhood Policy (ENP), will benefit in 2009 from a €70 million contribution by the European Commission. These resources will allow neighbouring partner countries to leverage increased funding for major investment projects in areas such as energy, transport and environment, and also SME development and the social sector. The Commission provides, through the NIF, grant support for lending operations of European Development Finance institutions in these countries. Out of the €700 million that the Commission intends to allocate to the NIF for the period 2007-2013, €170 million have now been made available for the financing of eligible projects (€50 million approved in 2007, €50 million in 2008 and an additional €70 million this year).*

Commissioner for External Relations and European Neighbourhood Policy Benita Ferrero-Waldner commented: 'We are encouraged by the positive results already achieved through the NIF. This year's substantial increase of the NIF allocation further underlines our commitment to support our neighbour's reforms in key sectors. The participation of two additional Development Finance Institutions of our member States in the mechanisms of the NIF further underlines its role as a catalyst of co-ordinated EU financing. I am happy to see that during the first year of its existence alone NIF has approved 15 projects critical to the improvement of basic infrastructures like water, health and urban transport'.

Officially launched in May 2008, the NIF was created under the aegis of Commissioner Mrs Ferrero-Waldner in order to strengthen Community and Member States' grant support for lending operations carried out by European multilateral and bilateral development finance institutions in ENP partner countries.

The 15 projects approved by NIF in its first year of operation have a total grant contribution of €71 million. In addition to improvement of basic infrastructures the NIF also provided support to some major investments in the environment sector, directly or indirectly tackling common environmental challenges.

NIF operations focus on countries which have already signed an ENP Action Plan with the EU i.e. Armenia, Azerbaijan, Egypt, Georgia, Jordan, Lebanon, Republic of Moldova, Morocco, the Palestinian Occupied Territories, Tunisia and Ukraine<sup>1</sup>. On a case by case basis other neighbouring countries may also benefit from NIF grant support, in particular in case of projects of cross border or regional nature to which the EU attaches particular interest.

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<sup>1</sup> Israel will not be directly eligible due to its high level of economic development

For additional details on NIF activities download the 2008 Annual Operational Report of the NIF:

[http://ec.europa.eu/europeaid/where/neighbourhood/regional-cooperation/irc/documents/nif\\_operational\\_annual\\_report\\_2008\\_en.pdf](http://ec.europa.eu/europeaid/where/neighbourhood/regional-cooperation/irc/documents/nif_operational_annual_report_2008_en.pdf)

Additional information:

- On the Neighbourhood Investment Facility

[http://ec.europa.eu/europeaid/where/neighbourhood/regional-cooperation/irc/investment\\_en.htm](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](http://ec.europa.eu/world/enp/index_en.htm)