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PRESS RELEASE

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Boosting investment in the European Neighbourhood

Energy and transport sectors in the countries of the Eastern and Southern Neighbourhood will be a key focus of new EU funding approved today by the European Commission. The Commission decided to allocate EUR 200 million to the Neighbourhood Investment Facility with the objective of leveraging investments from EU development banks. Combining the EU grants with the loans from the development banks will allow a more competitive financing structures for many large projects in the countries of the Eastern and Southern Neighbourhood. The planned investments will target energy and transport projects establishing infrastructure interconnections between the EU and neighbouring countries and among neighbouring countries themselves, as well as projects addressing common climate change challenges and promoting growth and small businesses.

"Since its launch in 2008, the Neighbourhood Investment Facility has proven to be a vital tool for EU cooperation in the Neighbourhood region. It helps our partners to make a difference in the areas where it is needed most, like energy, transport, the environment or the social sector. It also helps generate additional financial resources and to deliver on concrete projects. By leveraging funds from other institutions, it maximises the added value of EU grants.", said Štefan Füle, Commissioner for Enlargement and European Neighbourhood Policy.

The Neighbourhood Investment Facility brings together grants from the European Commission and the EU Member States with loans from European public finance institutions, as well as contributions from the partner countries. It helps to support the EU's neighbours in carrying out necessary infrastructure projects.

Projects funded in 2012 covered a wide range of initiatives and sectors, among others, a small and medium-sized enterprises (SME) Guarantee Facility in the Southern Neighbourhood, the modernisation of border crossing points in Armenia, support for the electrical transport network in Morocco as well as for a Green for Growth Fund, which will provide refinancing via local financial institutions for investments in energy efficiency and renewable energies to SMEs and households in the Eastern Neighbourhood countries.

Background

The Neighbourhood Investment Facility (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 the European Neighbourhood countries.

Up until now, the NIF has supported 69 projects representing a total investment of about €18,4 billion.

€745 million have been foreseen for the period of 2007-2013, out of which €545 million have been already allocated. Today's new allocation amounts to an additional €200 million. The EU Budget contribution is complemented by pledged contributions from 15 Member States, which reached €70 million in 2011.

The NIF operations focus on those Eastern and Southern neighbouring countries which have already signed the European Neighbourhood Policy (ENP) action plan with the European Union. Nevertheless, other neighbouring countries may also benefit from NIF grants on a case by case basis, for example when it comes to projects of a cross-border or regional nature.

For more information

Website of the Neighbourhood Investment Facility:

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

Website of the European Neighbourhood Policy (ENP):

http://ec.europa.eu/europeaid/where/neighbourhood/index_en.htm

Website of the European Commissioner for Enlargement and European Neighbourhood Policy, Štefan Füle:

http://ec.europa.eu/commission_2010-2014/fule/index_en.htm

Contacts :

[Anca Paduraru](#) (+32 2 296 64 30)

[Peter Stano](#) (+32 2 295 74 84)