European Neighbourhood and Partnership Instrument 2007-2013

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This Staff Working Document (SWD) constitutes an Annex to the report of the Commission to the European Parliament and the Council on financial instruments supported by the general budget according to Article 140(8) of the Financial Regulation as at 31 December 2013. It provides specific information on individual financial instruments, their progress made in implementation and their environment in which they operate.

Financial instruments are a proven way to achieve EU policy objectives. They use EU funds to support economically viable projects and attract very significant volumes of public and private financing. By injecting money into the real economy, financial instruments contribute to the achievement of the EU policy objectives enshrined in the Europe 2020 Strategy, notably in terms of employment, innovation, climate change and energy sustainability, education and social inclusion.

The report gives detailed information on each financial instrument.

Neighbourhood Investment Facility (NIF)

The NIF overarching objective is to mobilise additional investments to support the establishment of an area of prosperity and good neighbourliness involving the EU and neighbouring countries. In complementarity with other EU-funded programmes, the NIF can foster a sustainable, inclusive growth and a favourable investment climate in our partner countries.

The EU launched the NIF in 2007. Eight Commission Decisions were adopted for this instrument during the period 2007-2013 for a total envelope of EUR 745 million.

The NIF has, since the beginning of 2011, included a Climate Change Window (CCW) 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.

An endowment with EUR 17.3 million was adopted by the Commission in 2011 to be shared with the Latin America Investment Facility (LAIF). Finally, this endowment was integrally used for two projects under the Latin America Investment Facility (LAIF).

In general terms, the NIF has proven to be an effective instrument within the European Neighbourhood Policy in particular by leveraging significant financial resources through financial instruments.

Facility for Euro-Mediterranean Investment Partnership (FEMIP)

In the framework of the European Neighbourhood and Partnership Instrument (ENPI for 2007-2013), the objective of the support to FEMIP is to provide capital to the private sector of Mediterranean partner countries pari passu with other commercial investors in the region.

Support to FEMIP covers the nine Southern Mediterranean States. The recipients of the Risk Capital Facility are the private sector in general and SMEs as well as financial intermediaries. The recipients of technical assistance are private enterprises, public institutions and the financial intermediaries.

FEMIP is established for the duration of the Financial Framework 2007-2013. The total financial envelope for 2007-2013 is EUR 224 million. The final date for signatures under the 2013 envelope is 31 December 2014.

With EUR 27 million allocated in technical assistance, the Support to FEMIP supported FEMIP investment activities in several southern Mediterranean countries, assisting promoters during different stages of the project cycle and encouraging the modernisation and opening-up of the partner countries' economies. Several sectors have benefited so far from the Technical assistance with significant contribution to the transport and water distribution sector.

As far as risk capital operations are concerned, the Support to FEMIP has played a strong catalytic role for other borrowers and investors. The Support to FEMIP helped to foster private sector activity in various sectors and assisted SMEs operating in any of the eligible sectors: agribusiness sector, financial sector, ICT sector and in particular the industry and the healthcare sectors, these latter currently being the most highly represented sectors.

The Support to FEMIP has generated employment opportunities. Since 1998, it is estimated that thanks to the risk capital investments, aggregated direct jobs of companies supported have increased by more than 1.2 times over the EIB holding period. This is equivalent to an average growth annual rate of circa 5% over the EIB holding period. It is further estimated that a notable share of the portfolio companies (more than 68%) have witnessed an increase of their employment figures over the EIB holding period.