EUROPEAN
COMMISSION

Brussels, 15.7.2015
C(2015) 4829 final

COMMISSION DECISION

of 15.7.2015

on the second complementary financing decision of the Neighbourhood Investment Facility 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 (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 1605/2002[1], and in particular Article 84(2) thereof,

Whereas:

(1) The Commission has adopted the Annual Action Programme "European Neighbourhood wide Action Programme 2014"[2] which foresees the EU contribution to the Neighbourhood Investment facility. Following the selection process foreseen in this Annual Action Programme, the projects to be implemented have been selected.

(2) The Commission has adopted the Annual Action Programme "European Neighbourhood wide Action Programme 2015"[3] which foresees the EU contribution to the Neighbourhood Investment facility. Following the selection process foreseen in this Annual Action Programme, some of the projects to be implemented have been selected.

(3) For projects to be implemented under indirect management, it is necessary to adopt this Decision in order to provide the elements required by the second subparagraph of Article 84(3) of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council.

(4) The Commission should entrust budget-implementation tasks under indirect management to the entities specified in the Annex to 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), Agence Française de Développement (AFD), Kreditanstalt für Wiederaufbau (KfW) and the European Bank for Reconstruction and Development (EBRD) are currently undergoing the 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 entities' positive assessment under

[1] OJ L 298, 26.10.2012, p. 1.

[2] Commission implementing Decision C(2014)5750 of 20 August 2014 on the European Neighbourhood wide Action Programme 2014 to be financed from the general budget of the European Union.

[3] Commission implementing Decision C(2015)2748 of 23 April 2015 on the European Neighbourhood wide Action Programme 2015 to be financed from the general budget of the European Union.

Council Regulation (EC, Euratom) No 1605/2002[4] and on the long-standing and problem-free cooperation with them, budget-implementation tasks can be entrusted to these entities.

HAS DECIDED AS FOLLOWS:

Sole Article

Adoption of projects to be implemented and of their modalities

The list of additional projects and financial commitments to be implemented under indirect management in the framework of the Neighbourhood Investment Facility (NIF), as set out in the Annex attached, is approved.

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

Done at Brussels, 15.7.2015

For the Commission
Johannes HAHN
Member of the Commission

[4] 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).

Annex 1 to the second complementary financing decision of the Neighbourhood Investment Facility

Title of the project	Selected Entrusted Entity	Amount of EU Contribution	From 2014 NIF Decision	From 2015 NIF Decision
Egypt – H2020 Kafr El Sheikh Wastewater Expansion (KESWE)	EIB	17 340 000	17 340 000	
Egypt – Egypt Natural Gas Connection Project	AFD	69 050 000	69 050 000	
Egypt – Southern and Eastern Mediterranean (SEMED Regional Sustainable Energy Finance Facility: Phase 2	EBRD	23 856 000	4 601 000	19 255 000
Regional – Second contribution to the Risk Capital Facility for the Southern Neighbourhood countries	EIB	25 300 000	25 300 000	
Tunisia – Programme in support to Vocational Training	AFD	3 150 000	3 150 000	
Tunisia – Sustainable Use of Natural resources and Energy Finance (SUNREF Tunisia Facility)	AFD	13 574 000	13 574 000	
Lebanon – Fees due on Kerswan Wastewater	EIB	200,000 [1]	200,000 [1]	
Morocco – Fees due on Ouarzazate Centrale Solaire Phase I	EIB	600 000 [1]	600 000 [1]	
Regional - EBRD Women in Business Programme in the Eastern Partnership	EBRD	5 035 000	3 935 851	1 099 149
Ukraine: Financing Technologies against Climate Change - FINTECC	EBRD	4 160 000	4 160 000	
Armenia – Fees due on Yerevan Water	EBRD	200 000 [1]	200 000 [1]	

1 – These projects have already been approved, and are being implemented by the beneficiary country. These fees are payable to the lead financial institution involved, and no project fiche is attached.

Annex 1 to the second complementary financing decision of the Neighbourhood Investment Facility

Egypt – H2020 Kafr El Sheikh Wastewater Expansion (KESWE)

Investment Facility	Neighbourhood Investment Facility (NIF)
Opinion of the Operational Board	Positive opinion
Sector/DAC code	Water / 14022
Partner country/region	Egypt
Lead FI	EIB
Co-financiers	EBRD
EU contribution requested	EUR 17 340 000
Total cost of the project	EUR 164 000 000
Objectives to be fulfilled (main)	The project aims to improve health standards for residents, the quality of irrigation water, as well as the environmental quality of the Nile, Lake Burullus, and the Mediterranean Sea. Investing in wastewater infrastructure in KES will provide first time sanitation services to approximately half a million consumers.
Foreseen results	The provision of rural sanitation services will contribute to improving health standards of Kafr El Sheikh (KES) residents and the environmental quality of the Nile, Lake Burullus, and the Mediterranean Sea. Other benefits include an expected increase in the volume and quality of fish in Lake Burullus (70% of the country's fishing industry), safer agriculture production, improved conditions for tourism on the Mediterranean coast, and job creation.
Description of the activities	The project involves the construction of centralised integrated wastewater sanitation systems with wastewater treatment plants for villages with population exceeding 1,400 inhabitants and decentralised on-site sanitation systems for small size villages. For design and cost optimisation, some small size villages located in the vicinity of integrated wastewater systems will also be connected to centralised infrastructure. The planned main works consist of: *A. Construction of two new WWTPs*

	1. Zaghlool El-Baharey WWTP (15,000m^3/day) in Motobas District and expected to serve 80,000 citizens; and 2. El-Shahbia WWTP (15,000 m^3/day) in Burullus District and expected to serve 95,000 citizens. *B. Expansion of three existing WWTPs* 1. Motobas WWTP from 10,000 up to 20,000 m^3/day in Motobas District and expected to serve 40,000 citizens; 2. Chabas Al-Malh WWTP from 2,500 up to 5,000 m^3/day in Desoq District and expected to serve 15,000 citizens; and 3. El-Borg WWTP from 4,800 up to 10,000 m^3/day in Burullus District and expected to serve 19,000 citizens. *C. Laying of 697 km of sewers with the installation of 52 pump stations* This component involves the laying of 697 km of sewers in the districts of Motoba, Desoq, Burullus with the installation of 52 pump stations. It comprises gravity mains, force mains, pumping stations and the connection to households. It includes as well decentralised on-site sanitation for small size villages. This component is represent the last mile investment to the final beneficiaries and will therefore have a direct and visible impact on the quality of their living conditions.
Location	Egypt
Duration i.e. implementation period and indicative implementation timetable	Indicative timetable: • Target date of signature of EU Contribution Agreement with Lead FI: Q3 2015 • Target date of signature of EU Financing Agreement with Beneficiary: Q3 2015 • Start of activities financed by the EU grant: Q4 2015 • End of activities financed by the EU grant: Q4 2021
Justification/additionality of the EU grant	Due to the fact that the current economic and political climate in Egypt does not permit significant tariff increases to leverage investments in the sector, the EU grants support will realise economic benefits otherwise not possible. High costs associated with waste water services, the current economic crisis, shortage of government funds, limited borrowing capacity, and low tariffs place a heavy financial burden on the utility, and grant funding is critical to

	catalysing the investment, and delivering anticipated economic benefits of the project. The financial management of KSWSSC is challenging, mainly due to tariffs being significantly below cost recovery levels. However, the utility demonstrates an ability to manage operations under difficult circumstances – continuing to provide services and retaining staff. The technical designs for all project components followed national standards and international best practices. As a result about 17% of the population in the Kafr El Sheikh Governorate will directly benefit from improved sanitation and the consequent improvements in environmental health benefits. Efforts have also been made to ensure that the level of service provided is appropriate and affordable to beneficiaries. These efforts are reflected in the design of sewer systems and WWTPs and also through the provision of technical assistance that will increase the overall efficiency of the utility.

Annex 1 to the second complementary financing decision of the Neighbourhood Investment Facility

Egypt – Egypt Natural Gas Connection Project

Investment Facility	NIF
Opinion of the Operational Board	POSITIVE OPINION
Sector/DAC code	23050 – Gas distribution
Partner country/region	Egypt
Lead FI	AFD
Co-financiers	World Bank, Koweit Fund for Arab Economic development and the Ministry of Energy
EU contribution requested	EUR 69 050 000
Total cost of the project (including the EU contribution)	EUR 1 710 000 000
Objectives to be fulfilled (main)	The overall objective of the project is to improve and secure access to a safer energy through the provision of more reliable and better quality energy services by improving the transmission and distribution of gas connections, while alleviating the strain on public finance.
Foreseen results	− Improve and secure access to energy: The Governorates covered by this project include less dense and less urbanised areas with poorer access to services in general, and energy in particular. The baseline (without the project) consists in the use of LPG, where households are dependent on availability of LPG bottles and costs variations. By connecting households to Natural Gas, fuel supply is secured, affordable and based on domestic resources. − Enhance quality of service and security: The use of LPG raises security issues (transportation and storage of LPG bottles). Connecting households to natural gas offers an energy solution with high quality and security standards, ensured by local distribution companies with good track record. − Maximise the number of beneficiaries of the project amongst poor and disadvantaged households through the implementation of a targeted financial support for the payment of gas connection fees. − Reduce the burden on the Egyptian budget: Natural gas will replace highly subsidised and imported LPG. − Support the gas institutional reforms through (i) the

	implementation of an ERP to improve the financial transparency and management of the Egyptian Natural Gas Holding Company (EGAS) and (ii) proving technical assistance to accompany the implementation of the reforms.
Description of the activities	The project implement activities in the following areas: *1. Gas network expansion and households connection* This component will finance investments necessary to expanding the gas network and connecting households to the distribution network. The investments financed under this component includes; (i) the expansion of gas transmission connection and pressure reduction stations;(ii) the expansion of the gas distribution networks and connection; (iii) the upgrade in the capacity of local distribution companies service centers to provide a reliable service. *2. Targeted financial support to the payment of connection fees for disadvantaged households* This component will support the payment of connection fees by providing financial incentives households in order to maximise the number of beneficiaries of the project amongst poor and disadvantaged households. The number of households that could benefit from this support mechanism should reach 450,000 out of the 2.4 million households to be connected. *3. Institutional strengthening:* The implementation of the gas institutional reforms is necessary to ensure the sector's sustainability. The project therefore includes an institutional strengthening component to accompany the reforms. Such institutional strengthening is a continuation of the European Union's support programmes to the energy sector.
Location	Egypt
Duration i.e. implementation period and implementation timetable	• Target date of signature of EU Contribution Agreement with Lead FI: Q2 2015 • Target date of signature of EU Financing Agreement with Beneficiary: Q2 2015 • Start of activities financed by the EU grant: Q3 2015 • End of activities financed by the EU grant: 2020
Justification/additionality of the EU grant	This gas distribution project is key for the Government. It is developed in the framework of a global strategy of spreading out the use of natural gas in households, with the objective to provide more reliable and better quality energy services, while alleviating the strain on public finance. The project is expected to connect 2.4 million households to the

	natural gas distribution network over the next 4 years (around 5.8 million households are connected to natural gas network as of 2013). The implementation of the targeted financial support provided under component 2 is meant to maximise the number of beneficiaries amongst the poor and the disadvantaged. Based on initial analysis, the expected number of beneficiaries from this project would range from 470,000 to 911,000 households. The project also comprises institutional strengthening activities to enhance project sustainability: (i) the implementation of an ERP system to enhance the quality of reporting and financial transparency of the implementing agency and (ii) a technical assistance to support the gas sectoral reforms that are being implemented. The focus is on priority activities that need to be performed to facilitate the implementation of the institutional reforms and facilitate the financial sustainability of similar type of projects.

Annex 1 to the second complementary financing decision of the Neighbourhood Investment Facility

Southern and Eastern Mediterranean (SEMED) Regional Sustainable Energy Finance Facility - Phase 2- Egypt

Investment Facility	NIF
Opinion of the Operational Board	POSITIVE OPINION
Sector/DAC code	24030
Partner country/region	Egypt
Lead FI	EBRD
Co-financiers	AFD, EIB
EU contribution requested	EUR 23 856 000
Total cost of the project (including the EU contribution)	EUR 180 600 000
Objectives to be fulfilled (main)	SEMED Sustainable Energy Financing Facility Phase II (the SEEF Facility) will be a joint action between EBRD (lead FI) AFD and EIB (co-financiers) to extend at least EUR 140 million of credit lines to Participating Financial Institutions (PFIs) in Egypt, providing financing, technical assistance and incentive payments to address barriers to financing energy efficiency and sustainable energy investments in industry, SMEs, agribusiness, commercial services and the residential sector.
Foreseen results	1. Scale up the market for energy efficiency and renewable energy investments in Egypt in line with the strategic objectives of the EU Neighbourhood Strategy and national strategies, thereby contributing to climate change mitigation through wider use of renewable energy, higher energy savings and GHG emission reduction. 2. Improve capacity of financial intermediaries to appraise and finance sustainable energy projects by providing medium to long-term funding and technical assistance. 3. Improve awareness of sustainable energy amongst businesses and individuals and support development of a local production and service base for sustainable energy technologies, thereby stimulating innovation and development of local R&D.

Annex 1 to the second complementary financing decision of the Neighbourhood Investment Facility

Description of the activities	The Facility will consist of the following activities: - Credit lines including investment incentives to PFIs and to sub-borrowers, encouraging sub-borrowers to be early adopters of sustainable energy technologies that are often more costly than traditional technologies and unproven in the SEMED region. Such incentive payments represent a valuable tool to help PFIs and sub-borrowers prioritise sustainable energy investments over other investment opportunities/needs of local companies and residents. - Technical assistance (to be funded from EU NIF and from other EBRD sources to be confirmed) to provide capacity building to PFIs to institutionalise the know-how required to support these types of investment, as well as providing support to PFIs to build a pipeline of eligible Sub-projects for financing and helping Sub-borrowers to develop and prepare their Sub-projects for financing by PFIs.
Location	Egypt
Duration i.e. implementation period and indicative implementation timetable	Signature of the agreement: Q3 2015 Start of activities: Q4 2015 End of Activities: Q4 2024
Justification/additionality of the EU grant	This project will contribute to the reduction of greenhouse gas emissions and of energy intensity in the target countries. Enterprises investing in sustainable energy measures will save money in the long term; enterprises investing in energy from renewable sources will increase their energy security particularly as Egypt has experienced energy shortages which can lead to blackouts and loss of production time. Sustainable energy measures implemented in buildings will result in more comfortable living and working environments and reduce living costs for households. The EBRD analysed energy tariffs and the financial viability of sub-projects before embarking on the Facility. The drivers for investment in energy efficiency for commercial sub-projects are the financial returns from the energy savings, and as a result, energy tariffs are analysed for every project as part of the financial viability analysis in their project assessment. Investment incentives are justified (in the order of 10-13%) to help early movers prioritise sustainable energy investments over other investment opportunities, promote higher performance standards and

	make investments in advanced energy saving technologies that bring longer-term benefits but may offer longer term payback. Sustainable energy investments will result in a direct increase in the profitability of the final beneficiaries' activity and their competitiveness on the market and will also promote facilitation of trade in new EE and RE technologies and technology and know-how transfer. Finally, through the Technical Assistance the project will also help PFIs' lending for EE and RE projects of beneficiaries who currently do not have the resources to identify and prepare bankable EE and RE projects and have no access to commercial loans. The grant provided to PFIs will also encourage them to finance EE and RE projects as it will cover a part of higher transaction costs related to implementation of a new banking product.

Annex 1 to the second complementary financing decision of the Neighbourhood Investment Facility

Regional – Second contribution to the Risk Capital Facility for the Southern Neighbourhood countries

Investment Facility	Neighbourhood Investment Facility (NIF)
Opinion of the Operational Board	POSITIVE
Sector/DAC code	Private Sector DAC code: 240 and 250
Partner country/region	Regional - South Neighbourhood countries
Lead FI	EIB
Co-financiers	Currently in discussions
EU contribution requested	EUR 25 300 000
Total cost of the project	EUR 100 000 000
Objectives to be fulfilled (main)	The aim of this facility is to provide access to equity and debt finance to SMEs in the region in order to support private sector development, inclusive growth and private sector job creation. The facility approach pursues in particular the following objectives: ▪ Private sector development ▪ Financial sector strengthening ▪ Private sector job creation ▪ Financial return – sustainability of SMES and MSMEs
Foreseen results	The expected impact of the Facility comprises three different levels: 1) Risk capital sector development 2) Access to finance for SMEs and MSMEs 3) Job creation in the private sector
Description of the activities	The Facility will make investments aiming to support private sector SMEs and MSMEs in the Southern Neighbourhood countries through the use of risk capital mechanisms. The main activities of the Facility will be:

	▪ Investing in private equity and venture capital funds. ▪ Investing in microfinance and other financial institutions. ▪ Lending to microfinance and other financial institutions. ▪ Other innovative instruments such as co-investing alongside Business Angels, funding Incubators and Accelerators and investing in technology transfer vehicles may also be considered. ▪ Providing technical assistance to financial intermediaries or final beneficiaries. The Facility will invest its own resources on a pari-passu basis, in parallel with private, market oriented, investors, with the purpose of addressing market failure and supporting the private sector and financial sector reform. A technical assistance package will be put in place to ensure demand driven capacity building of financial intermediaries and final beneficiaries.
Location	South Neighbourhood countries
Duration i.e. implementation period and indicative implementation timetable	Signature of the agreement: Q3 2015 Start of activities: Q4 2015 End of Activities: Q4 2025
Justification/additionality of the EU grant	The EU budgetary resources funding will lead to an EIB´s commitment of own resources and may be used to attract third party funding. It will be the first intervention of the EIB in SME risk-sharing equity products outside the EU. The Facility expects to commit at least a net amount of EUR 142.5 million to local and regional financial intermediaries. EUR 130 million is expected to be channelled towards 98 thousand SMEs in the region, creating and/or sustaining over 620 thousand jobs. The support of the Facility to local financial intermediaries – including technical assistance and co-financing – also demonstrate the additionality of the EU funding as they would otherwise struggle to achieve sufficient know-how and critical financial resources to expand micro and SME lending. The EIB will ensure that the EU funding leads to other

	economic benefits such as female and youth employment, impact on exporting capabilities of the financial beneficiaries and amounts of taxes levied to the underlying SMEs.

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Tunisia – Programme in support to Vocational Training (PAFIP - Programme d'Appui à la Formation et à l'Insertion Professionnelle PAFIP)

Investment Facility	NIF
Opinion of the Operational Board	POSITIVE OPINION
Sector/DAC code	11330
Partner country/region	Tunisia
Lead FI	AFD
Co-financiers	NA
EU contribution requested	EUR 3 150 000
Total cost of the project (including EU contribution)	EUR 28 400 000
Objectives to be fulfilled (main)	L'objectif du PAFIP est de rendre plus efficace le dispositif de FP tunisien en tant que vecteur d'insertion des sortants sur le marché de l'emploi via : - L'amélioration de la qualité des formations par une montée en gamme globale du dispositif et donc un accompagnement de ses acteurs. - Le renforcement du lien formation - monde du travail en encourageant l'ouverture du dispositif sur son environnement économique, afin de favoriser une insertion socioprofessionnelle durable des jeunes diplômés.
Foreseen results	Ce programme permettra de : • Améliorer la qualité de la formation professionnelle dans des secteurs à fort potentiel économique (Agroalimentaire, IME, plasturgie, etc.) et en recherche de compétences ; • Développer l'employabilité des jeunes femmes et des jeunes hommes tunisiens, et permettre aux sortants du dispositif d'accéder à un emploi afin de réduire le taux de chômage; • Développer le facteur d'attractivité de la Tunisie pour les investissements directs étrangers et la compétitivité des entreprises tunisiennes par une amélioration du capital humain, aussi bien qualitativement que quantitativement ; • Développer les économies régionales et locales sur les secteurs couverts par l'appui et subséquemment des sous-traitants et fournisseurs. Les PME bénéficieront en tout premier lieu des résultats du

	programme, de par la mobilisation de tous sur l'alternance et du fait de la mise à disposition de services au sein des branches en matière d'ingénierie des compétences. Cela aura un impact sur la modernisation de leurs process industriels ; • Améliorer l'efficacité et l'efficience du dispositif et donc réduire les coûts marginaux de formation des apprenants du dispositif de formation professionnelle.
Description of the activities	Les activités PAFIP sont axées en parfaite cohérence avec les objectifs des politiques européennes en Tunisie et en complémentarité avec les actions et programmes financées directement par la délégation de l'UE, notamment le Programme d'appui à l'éducation, la formation professionnelle, l'enseignement supérieur en lien avec l'employabilité des jeunes diplômés (PEFESE), puisque le PAFIP contribuera notamment à les développer. Les activités s'articulent autour de quatre axes: 1. Accompagnement à l'intégration et ouverture des centres de FP sur leurs bassins économiques et d'emploi (AT) et restructuration matérielle des centres de formation, ménagement et construction des espaces de formation. Cas particulier : création du centre aux métiers de l'industrie agro-alimentaire au sein du pôle de compétitivité de Bizerte (renforcement des liens et du dynamisme entre formation, entreprenariat, et innovation) 2. Action intégrée pour le renforcement de la politique de formation et qualité de la formation (AT) 3. Réorganisation et renforcement des structures nationales et régionales chargées de la mise en œuvre de la réforme (AT) 4. Appui au renforcement des capacités des partenaires sociaux (AT)
Location	Tunisia
Duration i.e. implementation period and indicative implementation timetable	• Target date of signature of EU Delegation Agreement with Lead FI: Q2 2015 • Target date of signature of EU Financing Agreement with Beneficiary: Q2 2015 • Start of activities financed by the EU grant:Q3 2015 • End of activities financed by the EU grant: Q3 2020 • End of project activities: Q3 2020
Justification/additionality of	L'AFD y contribuera sous la forme d'un prêt concessionnel

the EU grant	de 24 millions d'EUR, et d'un don de 0,7 millions d'EUR octroyés à la République tunisienne. L'UE apportera une subvention de 3 millions d'EUR déléguée en gestion à l'AFD selon le cadre contractuel approprié à ce type de fonds. Cette subvention de l'UE est sollicitée pour permettre le financement d'activités d'assistance technique auprès des principaux opérateurs publics du dispositif, indispensables à la réalisation des objectifs de la réforme, mais dont la rentabilité économique différée (pas de mesure d'impact direct sur l'amélioration des taux d'insertion des sortants du dispositif de formation, à la différence des activités de la composante 1) ne permet pas au MFPE d'envisager la mobilisation de financements sur prêt pour leur mise en œuvre. Le financement de la FIV projet contribuera aussi au renforcement et à la diffusion des normes de qualité et de sécurité environnementales, qui seront mieux intégrées dans les programmes industriels actualisés, et dans les formations dispensées, ce qui aura à moyen terme un impact au sein des entreprises industrielles. La maîtrise des normes QHSE par les équipes de formateurs sera recherchée.

Annex 1 to the second complementary financing decision of the Neighbourhood Investment Facility

Tunisia – Sustainable Use of Natural Resources and Energy Financing (SUNREF Tunisia Facility)

Investment Facility	NIF
Opinion of the Operational Board	POSITIVE OPINION
Sector/DAC code	230 – Energy Generation and Supply
Partner country/region	Tunisia
Lead FI	AFD
Co-financiers	EBRD and EIB
EU contribution requested	EUR 13 574 000
Total cost of the project (including EU contribution)	EUR 133 200 000
Objectives to be fulfilled (main)	The objective of the SUNREF Tunisia Facility is to support national priorities in the energy and environmental fields and scale-up needed investments with a view of creating a demonstrative effect on the market. This Facility is dedicated to industry and housing sector through public (max 20% of the Facility) and private Tunisian banks and leasing companies (together the partner financial institutions, or "PFI"s) wishing to enhance enterprises' and household access to available financing at lower interest rates and more appropriate maturities.
Foreseen results	− The energy efficiency gains will result in a direct increase in the profitability of the final beneficiaries' activity. In addition, the project could lead to the creation of direct and indirect local jobs. Each sub-project will enable the development of local subcontractors' activity. − The project should help create favourable conditions for the economic development of businesses by improving their competitiveness which depends on the quality of a regular energy supply at a reasonable cost. − In addition to the lower rate provided by the PFIs under SUNREF Tunisia Facility, the EU grant used for incentive payments will help generate and prioritise financially viable investments that will be benefit from a specific investment grant. Energy efficiency, Renewable Energy and Pollution

	Abatement investments will sound financially much more attractive to sub-borrowers and PFIs will be more encouraged to finance them even if they generate higher transaction costs at the very beginning. – Finally, the capacity building activities will reinforce the ability of PFIs, ANME and ANPE as competent authorities to continue to provide appropriate support to project promoters and relevant evolutions for the sector.
Description of the activities	The activities of the SUNREF Tunisia Facility consist of: <u>The Credit Facility</u>: it has as objective is to provide long-term funding at preferential conditions to the business community by establishing and mainstreaming "green loan" products. Each donor (AFD, EBRD and EIB) will sign a loan agreement with the different PFI's to provide resources to finance eligible projects. The eligibility criteria will be the same for all PFIs. The Investments Grants will be provided to projects promoters after the effective implementation of the project. After verification by an independent consultant, the banks will disburse the Investment Grant to the project promoters. <u>The Technical Assistance</u>: The TA programme will contribute to strengthening the internal expertise of the PFIs to develop sustainable project financing activity, through the transfer of sectorial knowledge and specific assessment methods in the project evaluation process. In addition, capacity building component will allow supporting government initiatives to promote Energy efficiency, Renewable Energies and Pollution Abatement (institutional evolution of the FNME, next national action plan for reasonable use of energy resources, etc.).
Location	Tunisia
Duration i.e. implementation period and indicative implementation timetable	• Target date of signature of EU Delegation Agreement with Lead FI: Q3 2015 • Target date of signature of EU Financing Agreement with Beneficiary: Q3 2015 • Start of activities financed by the EU grant: Q4 2015 • End of activities financed by the EU grant: Q4 2018 • End of project activities: Q4 2018

Justification/additionality of the EU grant	The financial incentives and technical assistance provided by this project will contribute to make more affordable investments in energy efficiency and energy renewable that contribute to climate change mitigation and depollution. The NIF grant amount has been justified calibrated according to the following method: • The Investment Grant (EUR 11 million) has been calibrated according to a pre-evaluation of the market maturity (type of eligible projects, type of project promoters, total financing cost, etc.), especially for the SMEs targeted in this new project. The amounts of the investment grant as well as the targeted beneficiaries were defined taking into the existing subsidising mechanisms. Indeed, the Investment Grant is a decisive factor for the investment decision in a fragile economic context. The amount of the Investment Grant for each project promoters will be adjusted depending on the type of project (rate of return, financial viability, type of the project promoter, etc.). • The TA grant (EUR 2.2 million) was calibrated according to the planned activities: (i) support to project promoters and PFIs (site visits, technical assessment, certification, impact and monitoring systems, training sessions, support to marketing campaigns); and (ii) institutional capacity building (support to policy dialogue activities of ANME and ANPE, communication and dissemination of results, production of communication tools for different stakeholders, etc.)

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Regional - EBRD Women in Business Programme in the Eastern Partnership

Investment Facility	NIF
Opinion of the Operational Board	POSITIVE OPINION
Sector/DAC code	24030 24040
Partner country/region	Armenia, Georgia, Azerbaijan, Belarus, Moldova and Ukraine
Lead FI	EBRD
Co-financiers	NA
EU contribution requested	EUR 5 035 000
Total cost of the project (including EU contribution)	EUR 54 300 000
Objectives to be fulfilled (main)	The overall objective of the Programme is to promote and support women entrepreneurship and more broadly women's participation in business by facilitating access to finance as well as non-financial business development services in the EaP countries.
Description of the activities	The Programme includes four main components: (i) Dedicated credit lines of up to EUR 43.4 million to eligible PFIs for on-lending to eligible Women SME. (ii) First loss risk cover ("FLRC") of up to EUR 4.3 million; up to 10% of the PFIs' loan portfolio under the Programme with a cap of 70% for any single sub-loan. (iii) Capacity Building Programme for the PFIs through Technical Assistance ("FI TA window") of up to EUR 1.8 million. (iv) Women in Business Small Business Support component ("SBS TA window") of up to EUR 4.8 million will be provided to increase Women SMEs access to know-how, non-financial business development services and networking opportunities. Existing and potential Women SMEs will be referred to SBS for tailored advisory services

	projects, training, mentoring and long-term coaching.
Foreseen results	With the successful implementation of the Programme, combined with TA provided to Women SMEs, thereby providing reassurance and know-how to the main stakeholders, it is expected that the PFIs' portfolio of smaller size sub-loans to eligible Women SMEs will increase.
Location	Armenia, Georgia, Azerbaijan, Belarus, Moldova and Ukraine
Duration i.e. implementation period and indicative implementation timetable	Tentative time schedule: • Completion date of environmental and social impact assessments: 30/06/2015 • Appraisal mission: 30/06/2015 (EBRD meetings with stakeholders in respective countries) • Dates of approval by EFIs Boards: Lead Financier, Other co-financing EFIs: 01/07/2015 • Dates of signature of the loans with the beneficiary, Lead Financier, Other co-financing EFIs: 1/07/2015 – 31/12/2017 • Target date of signature of EU Delegation Agreement with Lead FI: 2015 • Target date of signature of EU Financing Agreement with Beneficiary: n/a • Start of activities financed by the EU grant: 2015 • End of activities financed by the EU grant : 31/12/2018 for TA assistance and 31/12/2023 for FLRC • End of project activities: 31/12/2023
Justification/additionality of the EU grant	The Programme addresses market failure associated with a banks' perceived risk towards the untested Women SMEs segment which has discouraged banks from lending to women entrepreneurs to date. EBRD allocates first loss risk cover to individual sub-projects (loans with PFIs) under specific conditions stated in a Policy Statement which forms part of the loan agreement signed with a PFI. Policy statement documents describe the conditions for use of the FLRC – usually limiting the use of FLC for sub-loans signed within a certain time period (for example FLC cover may only apply to sub-loans signed within a 3-year period from the signing of a loan agreement).

	TA to PFIs will be an essential part of the Programme. The EUR 0.5 million requested through this Application will complement EUR 1.3 million provided by other donors (Sida) to ensure full implementation and visibility of the Programme in the EaP countries.

Annex 1 to the second complementary financing decision of the Neighbourhood Investment Facility

Ukraine: Financing Technologies against Climate Change - FINTECC

Investment Facility	NIF
Opinion of the Operational Board	POSITIVE OPINION
Sector/DAC code	230, 311, 321, 323
Partner country/region	Ukraine
Lead FI	EBRD
Co-financiers	TBD during implementation, will vary for sub-projects
EU contribution requested	EUR 4 160 000
Total cost of the project (including EU contribution)	EUR 79 760 000
Objectives to be fulfilled (main)	The objective of the Project is to support technology transfer by providing project finance, financial incentives and technical assistance for climate and disaster resilience technology investments in Ukraine. Supporting manufacturing and deployment of best available climate and disaster resilience technologies in Ukraine will also increase competitiveness of Ukraine's private sector through higher operational efficiencies, and supporting development of manufacturing capabilities for production of climate and disaster resilience technologies within Ukraine. The Project focuses on the transfer of technologies that may be available, but not widely diffused in Ukraine.
Description of the activities	Component 1: Will support institutional, policy and regulatory support to the government in Ukraine to design policy packages supporting climate technology transfer and competitiveness. Component 2: Technical Assistance activities to be provided to private sector in Ukraine, aimed at (i) strengthening climate technology supply chains through assistance to technology manufacturers, and (ii) supporting broader deployment of climate technologies in the country. Component 3: Climate technology finance support - not the financed by the NIF, but an important part of the Project. Component 4: Knowledge management and awareness

	activities including building industry networks, knowledge base and preparation of relevant guidelines.
Foreseen results	The project will aim to achieve GHG emission reduction of 600 ktCO2e per annum through direct emission reduction. The indirect emissions reductions (e.g. from establishing additional manufacturing capacity for best available climate technologies) will be estimated at the outset of the project preparation together with other co-benefits.
Location	Ukraine
Duration i.e. implementation period and indicative implementation timetable	Tentative time schedule: • Completion date of feasibility study: NA • Completion date of environmental and social impact assessments: NA • Dates of approval by EFIs Boards: Lead Financier, Other co-financing EFIs: Q2 2015 • Dates of signature of the loans with the beneficiary, Lead Financier, Other co-financing EFIs: Q2 2015 – Q4 2019 • Target date of signature of EU Delegation Agreement with Lead FI: Q1 2015 • Target date of signature of EU Financing Agreement with Beneficiary: tbc • Start of activities financed by the EU grant: Q2 2015 • End of activities financed by the EU grant : Q4 2018 End of project activities: Q4 2019
Justification/additionality of the EU grant	Grant support allows local businesses to improve their environmental standards while improving their competitiveness through increased efficiency through: a) Improved Environmental Performance: the project will aim to improve energy and resource efficiency of private sector beneficiaries thus reducing their carbon emissions; b) Increased Competitiveness: improving operations efficiency through reduced energy, anticipated carbon (and other resource) costs will improve competitiveness of local businesses; c) Improved supply chains and new business opportunities: facilitating deployment of climate technologies will lead to development of supply chains

	together with expansion of business opportunities d) Better access to critical skills in the climate technology manufacturing sector: The components of the project focusing on skills transfer and capacity building will ensure that the key skills can be accessed more widely in the market.