



This action is funded by the European Union

ANNEX

of the Commission Implementing Decision on the Neighbourhood Investment Platform (NIP),
part of the European Neighbourhood Wide Action Programme 2019

Action Document for the 2019 Annual Action Programme on Neighbourhood Investment Platform (NIP)

ANNUAL PROGRAMME

This document constitutes the annual work programme in the sense of Article 110(2) of the Financial Regulation and action programme/measure in the sense of Articles 2 and 3 of Regulation N° 236/2014.

1. Title/basic act/ CRIS number	<p>The 2019 Annual Action Programme on the Neighbourhood Investment Platform (NIP)</p> <p>CRIS number: ENI/2019/042-062 (South GF), ENI/2019/042-143 (South GN) and ENI/2019/041-997 (East) financed under the European Neighbourhood Instrument (ENI)</p>
2. Zone benefiting from the action/location	<p>The action shall be carried out at the following location:</p> <p>(a) European Neighbourhood Policy (ENP) countries with an ENP Association Agenda/Action Plan in force ⁽¹⁾;</p> <p>(b) Other ENP countries ⁽²⁾ (and exceptionally other third countries, as set out in Regulation (EU) No 232/2014 of the European Parliament</p>

⁽¹⁾ 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 Union from 2014 onwards), Jordan, Lebanon, Moldova, Morocco, Palestine, Tunisia and Ukraine. Israel is usually only eligible under regional projects, since it has status as a developed country.

⁽²⁾ Algeria, Belarus, Libya and Syria.

	<p>and of the Council ⁽³⁾), 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.</p> <p>For the actions related to the European Fund for Sustainable Development (EFSD) the eligibility is extended to other countries eligible under the Regulation (EU) No 2017/1601 of the European Parliament and of the Council ⁽⁴⁾.</p>	
3. Programming document	European Neighbourhood-wide measures and priorities (2014-2020) ⁽⁵⁾ and Multiannual Indicative Programme (2018-2020) ⁽⁶⁾ .	
4. Sustainable Development Goals (SDGs)	<p>Goal 6: Clean Water and Sanitation</p> <p>Goal 7: Affordable and Clean Energy</p> <p>Goal 8: Decent Work and Economic Growth</p> <p>Goal 9: Industry, Innovation and Infrastructure</p> <p>Goal 11: Sustainable Cities and Communities</p> <p>Goal 13: Climate Action</p>	
5. Sector of intervention/ thematic area	Investment in infrastructure and support to (Micro), Small and Medium sized Enterprises ((M)SMEs)	DEV. Assistance: YES ⁽⁷⁾
6. Amounts concerned	<p>Total amount of European Union (EU) contribution EUR 419 497 000 of which:</p> <p>EUR 253 097 000 from budget line 22.040102 (ENP South);</p> <p>EUR 7 000 000 from the budget line 22.040104 (Palestine);</p> <p>EUR 159 400 000 from budget line 22.040202 (ENP East).</p> <p>This action is co-financed by entities and for amounts specified in the indicative project pipeline which corresponds to appendices 1 and 2 of this Action Document.</p>	
7. Aid modality(ies)	This contribution to the NIP shall be implemented under: - Direct management through Procurement.	

⁽³⁾ Regulation (EU) No 232/2014 of the European Parliament and of the Council of 11 March 2014 establishing a European Neighbourhood Instrument (OJ L 77, 15.3.2014, p. 27).

⁽⁴⁾ Regulation (EU) 2017/1601 of the European Parliament and of the Council of 26 September 2017 establishing the European Fund for Sustainable Development (EFSD), the EFSD Guarantee and the EFSD Guarantee Fund (OJ L 249, 27.9.2017, p. 1, the 'EFSD Regulation').

⁽⁵⁾ Commission implementing Decision C(2014)5196 adopting the Strategic Priorities 2014-2020 and the Multi-annual Indicative Programme 2014-2017 for the European Neighbourhood-wide measures under the European Neighbourhood Instrument.

⁽⁶⁾ C(2018)2994, Commission Implementing Decision on adopting Strategic Priorities and a Multi-annual Indicative Programme 2018-2020 for European Neighbourhood-wide measures.

⁽⁷⁾ Official Development Assistance is administered with the promotion of the economic development and welfare of developing countries as its main objective.

and implementation modality(ies)	- Indirect management by the entities indicated in section 5 of this action document, in accordance with the NIP award procedure.			
8 a) DAC code(s)	41010 - Environmental policy and administrative management; 23010 - Energy policy and administrative management; 21010 - Transport policy and administrative management; 32130 - SME development; 16050 - Multi-sector aid for basic social services.			
b) Main Delivery Channel	46000 – Regional Development Bank 13000 – Third Country Government (Delegated co-operation) 42000 / 42004 – EIB – European Investment Bank (Trust fund via EIB like FEMIP, NIF, Interest subsidies)			
9. Markers (from CRIS DAC form)	General policy objective	Not targeted	Significant objective	Principal 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 and Women's and Girl's Empowerment	<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	Principal 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"/>
10. Global Public Goods and Challenges (GPGC) thematic flagships	N/A			

SUMMARY

The Neighbourhood Investment Platform (NIP) ⁽⁸⁾ is a blending facility, which combines Union grant contributions or financial instruments with other public and private sector resources such as loans and equity in order to leverage additional non-grant financing. The NIP forms an integral part of the European Fund for Sustainable Development (EFSD) which purpose is to support investments and increased access to financing, primarily in Africa and the European Neighbourhood in order to foster sustainable, inclusive economic and social development and promote the socioeconomic resilience of partner countries.

The NIP will support projects prepared by the eligible Finance Institutions in the Neighbourhood in line with the key objective of the NIP, which is, within the framework of the objectives of the ENP, to contribute to achieving the Sustainable Development Goals of the 2030 Agenda, in particular poverty eradication, as well as commitments under the ENP Review. It also addresses specific socio-economic root causes of migration, including irregular migration, and contributes to the sustainable reintegration of migrants returning to their countries of origin, and strengthening transit and host communities.

The NIP will prioritise projects that significantly contribute to achieving the Union's policy objectives in the region, as described *inter alia* in Union Council Conclusions, Union Agreements, frameworks for bilateral engagement such as Partnership Priorities (or equivalent documents like Association Agendas) 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 in the 2017 Brussels Eastern Partnership Summit declaration and the "20 deliverables for 2020", and subsequently set by Eastern Partnership platforms and panels, the Eastern Partnership transport network and the Energy Community. In the South region sectorial co-operation initiatives, strategies and plans supported by the Union for the Mediterranean will also be taken into account.

The NIP is designed to combine the Union's grants or financial instruments 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 or providing financial instruments, the NIP will encourage the partner country 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 NIP financing are conditioned to the additionality of the NIP contribution. The NIP does not support any operation which could usually be financed by the market.

⁽⁸⁾ In accordance with Regulation (EU) 2017/1601 of the European Parliament and of the Council of 26 September 2017 establishing the European Fund for Sustainable Development (EFSD), the EFSD Guarantee and the EFSD Guarantee Fund (OJ L 249, 27.9.2017, p. 1, the "EFSD Regulation"), all references to "NIF" or "NIP" shall be understood as references to NIF prior to the entry into force of the EFSD Regulation, and understood as references to NIP after the entry into force of the EFSD Regulation.

1 CONTEXT ANALYSIS

1.1 Context Description

In accordance with Regulation (EU) No 236/2014 of the European Parliament and of the Council ⁽⁹⁾, 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 ENP – that was launched in 2004 and reviewed in 2011 and in 2015 ⁽¹⁰⁾ – the ENI support will focus on promoting human 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 Union's internal market; regional integration; including connectivity and cross-border co-operation programmes.

In order to achieve the objectives of the ENP, reduce the social, economic and political barriers between the Union and its Neighbours and to extend the Union's policy initiatives to Neighbourhood countries, bilateral and regional financial assistance foreseen under the ENI will promote essential reforms, capacity building and modernisation measures in the partner countries.

The key objective of the NIP is, within the framework of the objectives of the ENP, to contribute to achieving the Sustainable Development Goals, thus creating sustainable jobs and addressing some of the root causes of migration.

To achieve 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 micro, small and medium sized enterprises (MSMEs).

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

⁽⁹⁾ Regulation (EU) No 236/2014 of the European Parliament and of the Council of 11 March 2014 laying down common rules and procedures for the implementation of the Union's instruments for external action (OJ L 77, 15.3.2014, p. 95).

⁽¹⁰⁾ JOIN(2015)50 final, 18.11.2015.

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 co-operation with partner countries to contribute to their economic stabilisation through development, modernisation, investment and developing employment opportunities in particular for the youth. The Union is committed to step up its co-operation in the Neighbourhood region in partnership with European and International Finance 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 Union aid should be boosted.

Based on the above described context, the European Commission, in this Decision, renews the NIP, through the ENI, in support to the implementation of the frameworks for bilateral engagement such as Partnership Priorities (or equivalent documents like Association Agendas) and the NIP Strategic Orientations.

1.2 Policy Framework (Global, EU)

The ENP is a strategic priority of the Union and aims at establishing a wider area of prosperity, stability and security involving the Union and its neighbours. The ENP is based on a bilateral and differentiated relation between the Union and each neighbouring country. Bilateral frameworks for engagement in the form of Partnership Priorities or equivalent documents such as Association Agendas are the key ENP operational tools. These cover a wide range of reform objectives of interest to the Union and the partner country and at the same time identify a number of clear priorities. The Union supports the implementation of these agreements through the provision of technical expertise and financial support.

The ENP is chiefly a bilateral policy between the Union 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 Union, its Member States and the Eastern European partner countries. It enables partner countries interested in moving towards the Union 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 Eastern Partnership (EaP) Summit in Riga in 2015, followed by the Ministerial meeting in May 2016, confirmed the consensus to step up actions in the four key priority areas of (1) economic development and market opportunities; (2) strengthening institutions and good governance; (3) connectivity, energy efficiency, environment and climate change; (4) mobility and people-to-people contacts. These four priorities were reconfirmed by the Eastern Partnership Summit, which took place in November 2017 in Brussels. In order to demonstrate the tangible benefits to the citizens of the partner countries 20 key deliverables have been identified in the framework of the priorities agreed in Riga, on the basis of already existing commitments on both Union's and Eastern partner countries' side. Each deliverable is complemented by targets to be achieved by 2020, methods of implementation and main actors involved. This structure allows for the 20 key deliverables to act as a work plan guiding the co-operation in the next phase of the EaP until 2020 and allowing for an easier monitoring of the progress.

The Union for the Mediterranean (UfM) is also providing impetus to the co-operation with partner countries of the Southern Mediterranean and further involves the Union'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 Union initiatives notably the depollution of the Mediterranean, the creation of maritime and land highways, the massive deployment of renewable energy and the progressive regional integration of the electricity markets, the establishment of an Euro-Mediterranean University and initiatives to support the development of SMEs and job creation.

During the 2016 UfM Ministerial meeting on regional co-operation and planning in Jordan, ministers reconfirmed the importance of making optimal and sustainable use of available resources from European and international financial instruments, including blending, to support investments in infrastructure and SME finance that would promote sustainable development and growth.

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, the 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 Union 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 Union, but also necessary adaptations and greater benefits for private sector.

Taking into consideration the above Union's 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 Public Policy Analysis of the partner country/region

The Platform is supporting partner countries in the following policy areas, which are directly linked with the SDGs:

- Better and more sustainable transport infrastructure;
- Better and more sustainable energy infrastructure;
- Increased protection of the environment and enhanced resilience to disasters and climate changes impacts in synergy with low carbon development;
- Trade facilitation;
- Improved social services and infrastructures;
- Creation and growth of SMEs and improvement of the employment situations.

1.4 Stakeholder analysis

The final beneficiaries of the Platform will be the partner countries, directly or indirectly either through their central, regional and local administrations or semi-public institutions. Other final beneficiaries will be the private sector and in particular MSMEs for categories of operations dedicated to the private sector development. Multilateral and national/European development finance institutions will be direct partners and important stakeholders of the Platform.

1.5 Problem analysis/priority areas for support

The NIP will support projects prepared by the eligible Finance Institutions in the Neighbourhood in line with the key objective of the NIP which is, within the framework of the objectives of the European Neighbourhood Policy, to contribute to achieving the Sustainable Development Goals, thus leading to sustainable job creation and addressing some of the root causes of migration and as defined in the below described NIP Strategic Orientations:

Strategic objective 1: Establishing better and more sustainable energy and transport interconnections (between the Union 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 the Union's agreements, including DCFTAs, as set out notably in the 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 NIP will prioritise projects that significantly contribute to achieving the Union's policy objectives in the region, as described inter alia in the ENP review, Union Council Conclusions, Union Agreements, ENP, Association Agendas, Partnership Priorities and equivalent documents as well as the ENI regional and bilateral strategy papers for the Neighbourhood. In the East sub-region, priorities will also take into account policy objectives set in the 2017 Brussels Eastern Partnership Summit declaration and the "20 deliverables for 2020", and subsequently set by Eastern Partnership platforms and panels, the Eastern Partnership transport network and the Energy Community. In the South region sectorial co-operation initiatives, strategies and plans supported by the Union for the Mediterranean will also be taken into account.

In addition, the NIP will support technical assistance to accompany the implementation of the EFSD guarantee operations in accordance with the objectives of the EFSD.

2 RISKS AND ASSUMPTIONS

Risks - External debt sustainability as some countries in the Neighbourhood are already close to the debt limit set by the IMF.	Risk level Moderate to high	Mitigating measures Regular monitoring in line with IMF guidelines/recommendations.
Assumptions		
- 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 are of sufficient quality and volume and provide sufficient		

added value.

- Partner countries and other local beneficiaries are supportive to the projects prepared by the eligible Finance Institutions.

3 LESSONS LEARNT AND COMPLEMENTARITY

3.1 Lessons learnt

Allocations to the NIP from the Union's budget have reached since 2008 a total of EUR 2 320 million. Additionally, Member States have contributed to the NIP Trust Fund with a total of EUR 84 million. This has enabled the launching of 191 projects with NIP support. The NIP contribution has succeeded in mobilising approximately EUR 21 billion of financing from European and International Finance Institutions since 2008 and a total estimated investment amount of EUR 37.8 billion i.e. leverage of circa 16 times in investment for every euro provided by the NIP. The success of the NIP 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.

An overall evaluation on blending was conducted between July 2015 and July 2016 incorporating all regional investment facilities active during the period 2007-2014. The findings of the evaluation are positive. However, the evaluation presented some recommendations on how to further improve the use of the blending aid modality as follows:

- Focus strongly on the additionality of the blending grant;
- Expand the number and specialization of IFI partners;
- Sharpen the alignment of the blending projects with national policies;
- Expand the use of risk sharing instruments in view of pro-poor and pro-development risk taking;
- Improve the development impact of blending projects by placing greater focus on job creation and poverty alleviation.

In addition, the NIP operates 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 Union's Delegations all along the project preparation by the Eligible Finance Institutions (EFIs) and a stronger focus on the discussion on the NIP pipeline.

Additionally, following the requirement of Article 140 of Regulation (EU, Euratom) No 966/2012 ⁽¹¹⁾, an *ex-ante* evaluation of the NIP has been carried out.

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

3.2 Complementarity, synergy and donor co-ordination

The NIP is complementary to regional programmes and initiatives for the Eastern Neighbourhood. For example in the Neighbourhood East, NIP is complementary with regional programmes aiming at enabling a more positive investment climate, such as EU4Energy (the Union's regional energy co-operation programme), including support to energy diversification (e.g. Southern Corridor) and security of supply, EU4Business, the Eastern Partnership (EaP) Environment Governance Flagship and municipal development initiatives such as the Covenant of Mayors and Mayors for Economic Growth. As regards the transport sector, NIP complementarity can be seen in supporting projects on the extended core TEN-T Network, including so called "quick-wins" projects. Furthermore, the NIP is complementing support to the countries related to the requirements stemming 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, NIP operations can be complementary to other national and regional initiatives, for example: in the field of energy, the NIP support to 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 NIP can also support transport projects which are on the Trans-Mediterranean Transport Network (TMN-T), as mandated at the 2013 UfM Mediterranean Ministerial Conference in Brussels. NIP can contribute to projects in line with the Horizon 2020 initiative to depollute 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, the 2015 UfM Ministerial Conference on the Blue Economy and the 2016 UfM

⁽¹¹⁾ Commission Regulation (EU) 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 (OJ L 298, 26.10.2012, p. 1).

Ministerial Conference on Sustainable Energy. The NIP 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 NIP 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 NIP CCW is managed in a streamlined way and has in general the same rules and the same financing and methods of implementation as the NIP. It enables the tracking of all climate change related projects funded by the EU. According to the OECD-DAC ⁽¹²⁾ 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.

The NIP also 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) co-ordinators should be consulted and involved where relevant, in particular regarding support to policy dialogue activities and the enabling environment.

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

The NIP governing bodies provide a very suitable arena for co-ordination amongst EFIs and amongst Member States. These platforms allow regular discussions on pipelines, priority projects and synergies between projects. Partner countries and Eligible Finance Institutions will ensure that all projects financed with Union's budget respect Union principles in terms of environmental and social impact, public procurement, state aid, and equal opportunities. Environmental Impact Assessments and Strategic Environmental Assessments should be carried out when required by the Union's Directives and in line with Union's standards. 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.

⁽¹²⁾ The Organisation for Economic Co-operation and Development's Development Assistance Committee.

4 DESCRIPTION OF THE ACTION

4.1 Overall objective, specific objective(s), expected outputs and indicative activities

The NIP's key objective will be, within the framework of the objectives of the ENP, to contribute to achieving the Sustainable Development Goals, thus leading to sustainable job creation and addressing some of the root causes of migration, focusing on promoting 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 NIP will support the growth of MSMEs by making available a range of financial instruments in particular through risk-sharing capital mechanisms.

The leverage effect of the NIP funding is expected to generate at least a multiplying factor of 4 to 5 times, or more, the amount of the NIP contributions. The input of the Finance Institutions will increase the leverage effect on policy dialogue and additional resources to be directed towards the neighbourhood beneficiary countries.

Operations financed by Finance Institutions pooling their loan resources in combination with NIP 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 2019 Union contribution to the NIP, which foresees for the Eastern Neighbourhood EUR 159 400 000 and for the Southern Neighbourhood EUR 260 097 000. The NIP annual contributions are programmed at Neighbourhood-wide level; they include specific funds from Neighbourhood regional programmes and bilateral programmes, as well as by direct additional contributions from Member States, which are kept in the NIP trust fund managed by the European Investment Bank (EIB). The NIP annual contribution 2019 includes the following:

(a) In the South:

- An allocation of EUR 100 097 000 from the ENI Wide measures to the NIP, in order to support investments in line with the NIP strategic orientations;
- An allocation of EUR 60 000 000 from Egypt's bilateral co-operation (Single Support Framework) to the NIP, for investments in the water and energy sectors;
- An allocation of EUR 18 000 000 from Lebanon's bilateral co-operation (Single Support Framework) to the NIP, for investments in energy;
- An allocation of EUR 30 000 000 from Morocco's bilateral cooperation (Single Support Framework) to the NIP, for investments into the private sector and/or skills;
- An allocation of EUR 7 000 000 from Palestine's bilateral co-operation (Single Support Framework) to the NIP, for investments into the private sector;

- An allocation of EUR 25 000 000 from Tunisia's bilateral co-operation (Single Support Framework) to the NIP, for investments into water, energy and private sector.
- An allocation of EUR 20 000 000 from the Southern Neighbourhood regional co-operation programme to the NIP, to support SME's/private sector development and/or investments in renewable energy/energy efficiency.

(b) In the East:

- An allocation of EUR 102 400 000 from the ENI Wide measures to the NIP, in order to support investments in line with the NIP strategic orientations;
- An allocation of EUR 15 000 000 from Moldova's bilateral co-operation (Single Support Framework) to the NIP, to contribute to support SME's/private sector development and investments in energy efficiency.
- An allocation of EUR 17 000 000 from Armenia's bilateral co-operation (Single Support Framework) to the NIP, to contribute to support SME's/private sector development and investments in the water, sanitation, waste management, transport and energy sectors.
- An allocation of EUR 25 000 000 from Ukraine's bilateral co-operation (Single Support Framework) to the NIP, to contribute to support SME's/private sector development and investments in the water, sanitation, waste management, transport and energy sectors.

The indicative pipeline of project proposals for the East and the South for the period 2019-2020 is included as Appendices 1 and 2 to this Action Document.

Considering the Union's commitment to dedicate 20% of its budget to climate related issues, an appropriate contribution to this objective under this programme will be promoted.

Furthermore, some limited funds from this Financing Decision will be allocated to accompanying measures necessary to provide in the context of the implementation of EFSD, under which the NIP is one of the instruments. A maximum of EUR 800 000 will be allocated to the following accompanying measures:

- Financing of the EFSD Guarantee Technical Assessment Group: EUR 450 000;
- Evaluation of the EFSD: EUR 200 000;
- Communication on the EFSD: EUR 150 000.

Finally, the NIP allocation also foresees to use a maximum amount of EUR 14 409 700 for Technical Assistance to support the implementation of the operations under the guarantee related to the EFSD.

The total budget of EUR 15 209 700 allocated to EFSD activities, both Technical Assistance and accompanying measures, will be managed and implemented by the Directorate-General of International Cooperation and Development (DG DEVCO).

The expected results of the NIP 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 Union and the Neighbours through the extension of the TEN T-Network to the East and South;
 - faster and cheaper movement of people and goods between the Union and its neighbours, and between neighbours and the Member States particularly on the sub-regional level, while respecting Union's environmental standards.
- (2) Better and more sustainable energy infrastructure, notably:
 - the improvement of interconnectivity between the Union and Neighbour countries as well as between partner countries, thus increasing security of energy supply for the Union and for the Neighbours;
 - the improvement of safety and security of energy infrastructure and respect of Union environmental standards, notably/including environmental ones;
 - the improvement of energy efficiency and energy savings;
 - the increase of production and use of renewable energy, including energy from wind and solar.
- (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) in line with the principles of a circular economy, 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 new technical regulations, conformity assessment and standards;
 - support to SMEs to facilitate its trade with the Union and other regions;
 - support DCFTA related 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 NIP 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.

4.2 Intervention Logic

As indicated in the section 5.3.2 each Lead Finance Institution will be awarded a contract for an individual operation based on its operational and financial capacity. Each individual action will be accompanied by the set of indicators adapted to the specificities of the action.

4.3 Mainstreaming

Gender, resilience and conflict sensitivity, environment and climate change will be integrated in the design of individual actions, whenever relevant, and will be included in the set of indicators accompanying these actions.

4.4 Contribution to SDGs

This intervention is relevant for the 2030 Agenda. It contributes primarily to the progressive achievement of the following SDG(s): Goal 6: Clean Water and Sanitation, Goal 7: Affordable and Clean Energy, Goal 8: Decent Work and Economic Growth, Goal 9: Industry, Innovation and Infrastructure, Goal 11: Sustainable Cities and Communities and Goal 13: Climate Action.

5 IMPLEMENTATION

5.1 Financing agreement

In order to implement this action, financing agreements may be concluded with the partner countries, as referred to in Article 158(1) of Regulation (EU, Euratom) No 1046/2018.

5.2 Indicative implementation period

The indicative operational implementation period of this action, during which the activities described in Section 4 will be carried out, is 264 months from the date of adoption of this Financing Decision.

Extensions of the implementation period may be agreed by the Commission's responsible authorising officer responsible by amending this Decision and the relevant contracts and agreements.

5.3 Implementation modalities

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures ⁽¹³⁾.

Where resources are benefitting specific undertakings carrying out economic activities and those resources are granted through the budget of the State or the State contributes

⁽¹³⁾ www.sanctionsmap.eu Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

to the selection of the specific interventions to be supported, applicable State aid rules should be complied with.

5.3.1 Procurement (direct management)

The amount allocated for accompanying measures of the EFSD, detailed in section 4.1 above and included in section 5.5 below, will be implemented under direct management by DG DEVCO through service contracts.

5.3.2 ENI Blending Framework

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

The operational governance of the NIP is 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 Union's development co-operation. Strategic discussions at highest level with Member States, beneficiary countries and relevant regional organisations will take place. Finance Institutions will participate in the discussions as observers. These strategic discussions provide strategic and policy guidance to the Board.

Union's Member States or other donors will be able to contribute to a dedicated NIP Trust Fund. The latter will also operate under the governance structure of the ENI blending framework (one single governance structure for both the NIP and the NIP Trust Fund), with slightly different voting procedures to reflect the additional contributions of Union Member States or other contributors.

Rules of procedure were approved by the NIP Board meeting of 27 November 2015 and updated by the NIP Board meeting of 13 December 2018, and further detail the decision making process as well as the organisation of the strategic meetings. The NIP Trust Fund agreement will reflect the general governance arrangements agreed under the ENI blending framework and include the specificities of the NIP Trust Fund.

The Operational Board is chaired by the Commission and is composed of representatives of the Commission, the European External Action Service (EEAS), the Union Member States as voting members, and International and European Finance Institutions as observers. In principle, the Operational Board aims to deliver opinions on project proposals by consensus. If no consensus can be found, the Operational 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 Operational Board. The part of the meeting where opinions on Union 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 Operational 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 NIP 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 Operational Board meets 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.

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

- review and discuss the pipeline to ensure co-ordination at an early stage, including in relation to geographical balance and agreed Union 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 Finance 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 the Union's 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 Finance 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 NIP, supporting the Board in all its tasks (opinions on individual blending operations, internal consultation, monitoring at

platform level, consolidation of the pipeline on the basis of the information provided by the European Finance Institutions 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 Union. The Secretariat also organises the technical level assessment of proposals and is the central contact point for all stakeholders involved in the NIP.

5.3.3 Contribution to the Neighbourhood Investment Platform

This contribution may be implemented under indirect management with the entities called Lead Finance Institutions. In particular, and in accordance with Article 4.1(e) of 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 Finance Institution such as the European Bank for Reconstruction and Development (EBRD), or a bilateral European Finance Institution, e.g. bilateral development banks.

The Lead Finance Institutions that are eligible under Neighbourhood Investment Platform are: the European Bank for Reconstruction and Development (EBRD), the European Investment Bank (EIB), the European Investment Fund (EIF), the Council of Europe Development Bank (CEB), the Nordic Investment Bank (NIB), the Nordic Environment Finance Corporation (NEFCO), the Agence Française de Développement (AFD), the Kreditanstalt für Wiederaufbau (KfW), the Dutch Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden (FMO), the Italian Società Italiana per le Imprese all'Estero (SIMEST), Cassa depositi e prestiti S.p.A., (CDP)⁽¹⁴⁾ and the Spanish Agency for International Development Co-operation (AECID), the International Finance Corporation (IFC) and the African Development Bank (AfDB).

The Commission authorises that the costs incurred may be recognised as eligible as of 1st of April 2019 because some activities related to the technical assistance to support the implementation of the operations under the EFSD Guarantee should start in order to ensure the effective implementation of such Guarantee.

5.4 Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act as applicable for NIP and EFSD, respectively, and set out in the relevant contractual documents shall apply, subject to the following condition:

⁽¹⁴⁾ Subject to the positive opinion of the NIP Board.

The responsible authorising officer may extend the geographical eligibility in accordance with Article 9(2)(b) 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

Module	EU contribution (amount in EUR)	Indicative third party contribution in currency identified
Contribution for NIP projects in ENP South (<i>from budget line 22.040102</i>)	246 190 200	N/A
Contribution for EFSD Technical Assistance projects (from budget line 22.040102) – to be managed by DG DEVCO	6 506 800	N/A
Contribution for accompanying measures of the EFSD (from Budget line 22.040102) – to be managed by DG DEVCO	400 000	N/A
Contribution for NIP projects in Palestine (<i>from budget line 22.040104</i>)	7 000 000	N/A
Contribution for NIP projects in ENP East (<i>from budget line 22.040202</i>)	151 097 100	N/A
Contribution for EFSD Technical Assistance projects (from budget line 22.040202) – To be managed by DG DEVCO	7 902 900	N/A
Contribution for accompanying measures of the EFSD (from budget line 22.040202) – To be managed by DG DEVCO	400 000	N/A
TOTAL	419 497 000	N/A

5.6 Organisational set-up and responsibilities

See section 5.3.1 above for the part of the action implemented under direct management related to the EFSD. See section 5.3.2 and 5.3.3 above for the part of the action implemented under indirect management related to the NIP.

5.7 Performance and Results monitoring and reporting

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for

independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

DG DEVCO shall be responsible to monitor on the activities under its own responsibility in this programme as outlined in section 4.1.

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 NIP including the details laid down in Article 209 of Regulation (EU, Euratom) No 1046/2018. 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. The individual reports shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The individual final reports, narrative and financial, will cover the entire period of the action implementation.

As per the recommendation of the evaluation, the Commission will monitor the performance of the projects benefiting from a NIP 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;
- Wastewater treatment capacity; and
- 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 including wind and solar;
- 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 micro, small and medium enterprises (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.

The day-to-day technical and financial monitoring of the implementation of this programme will be a continuous process, and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and direct outcomes) as measured by corresponding indicators, using as reference the Logframe matrix (for project modality) or the partner's strategy, policy or reform action plan list (for budget support).

SDGs indicators and, if applicable, any jointly agreed indicators as for instance per Joint Programming document should be taken into account.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

5.8 Evaluation

At the level of the individual operations, monitoring, evaluation and audit tasks will be carried out under the responsibility of the Lead Finance 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.

The evaluation reports shall be shared with the partner country and other key stakeholders. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

An amount is included in the indicative budget in section 5.5, as detailed in section 4.1 above, to finance the Neighbourhood contribution for the overall evaluation of the EFSD, which is to be performed according to the requirements of Regulation (EU) No 2017/1601 of the European Parliament and of the Council referred to above.

5.9 Audit

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, based on a risk assessment, contract independent audits or expenditure verification assignments for one or several contracts or agreements.

5.10 Communication and visibility

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU.

Each action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility Plan of the Action, to be elaborated prior to the start of implementation.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country, contractors, grant beneficiaries and/or entrusted entities, where applicable and appropriate. Appropriate contractual obligations shall be included in, respectively, the financing agreement, procurement and grant contracts, and contribution agreements (or equivalent).

The Communication and Visibility Requirements for European Union External Action (or any succeeding document) shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

As stated by the NIP Strategic Orientations 2014-2020, and reflecting the outcome of the evaluation of NIP 2008-2013, the objectives pursued by the NIP 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 Union, lead financiers under the NIP and partner countries, so as to demonstrate that the shared political commitments between the Union and partner countries deliver concrete results for the population.

The European Commission will publish an annual activity report providing an overview of the financed projects.

6 PRE-CONDITIONS

Individual contracts for an individual operation will be awarded to Lead Finance Institutions selected in accordance with the criteria set out in section 5.3.2 and 5.3.3.

Appendix 1: NIP South Indicative Pipeline 2019-2020

Sub-region	Country	Lead Finance Institution	Operation's Title	Sector	Estimated Total Investment (M EUR)	NIP Estimated Amount (M EUR)
South	Egypt	EBRD	Electricity grid reinforcement	Energy	200	20
South	Egypt	EIB / EBRD	Support to Alexandria water and sanitation programme	Water and Environment	200	25
South	Egypt	EIB	Water and wastewater rehabilitation project	Water	250	25
South	Egypt	KfW	Education Initiative	Social	51	13
South	Egypt	EIB	Drain depollution project	Water	550	55
South	Egypt	EBRD	Green economy financing facility	Energy/Private Sector	340	20
South	Egypt	EBRD	High impact Climate programme	Environment/Private Sector	200	50
South	Egypt	AFD	Non revenue water programme	Water	100	20
South	Egypt	EBRD	Energy efficiency programme	Energy	150	25
South	Jordan	AFD / EIB	Red sea – Dead sea water project (Phase I)	Water	1 000	40
South	Jordan	AFD	Regional and Local Development Programme	Urban development	75	15

Sub-region	Country	Lead Finance Institution	Operation's Title	Sector	Estimated Total Investment (M EUR)	NIP Estimated Amount (M EUR)
South	Jordan	AFD / EIB	Jordan national railway project	Transport	750	10
South	Jordan	AFD	North/East Balqa wastewater project	Water	75	15
South	Lebanon	EIB	Saida water treatment expansion	Water and Environment Transport	65	25
South	Lebanon	EBRD	Waste water treatment programme	Water	250	41
South	Lebanon	EIB	National roads rehabilitation programme	Transport	480	35
South	Lebanon	EBRD	Trade and competitiveness programme	Trade/Private Sector	150	15
South	Lebanon	EIB, AFD	Transmission line programme	Energy	200	15
South	Morocco	EIB	Education Maroc II	Education	300	23
South	Morocco	EBRD	Nador railway programme	Transport	520	12
South	Morocco	EBRD	Women in Business programme	Private Sector	100	10
South	Morocco	EBRD	Private Sector Development programme	Private Sector	200	30
South	Palestine	EIB	Support to Agribusinesses	Private Sector/Agriculture	50	7
South	Tunisia	KfW	300 Megawatt Photovoltaic programme	Energy	300	20

Sub-region	Country	Lead Finance Institution	Operation's Title	Sector	Estimated Total Investment (M EUR)	NIP Estimated Amount (M EUR)
South	Tunisia	KfW	Improvement of Tunisia's water storage, flood protection and transfer system	Water and rural development	367	40
South	Tunisia	EIB	Programme d'efficacité énergétique municipale	Energy	120	25
South	Tunisia	EIB	Modernisation établissements scolaires – écoles primaires	Education	400	25
South	Tunisia	KfW	Efficiency Improvement programme in the water sector	Water	84	12
South	Tunisia	KfW	Credit Line – Banque des régions	Financial Sector/Private Sector	395	50
South	Tunisia	EBRD	Green economy financing Facility (GEFF)	Energy	135	18
South	Tunisia	EBRD	Women in Business programme	Private Sector	70	8
South	Regional	KfW	Green for Growth Fund (GGF - MENA Window)	Energy/ SMEs	330	13
South	Regional	EBRD	SEMED Financial Inclusion programme	Private sector	168	30
South	Regional	EBRD	Green Economy Financing Facility – Lebanon, Jordan	Energy	93.5	18.5

Sub-region	Country	Lead Finance Institution	Operation's Title	Sector	Estimated Total Investment (M EUR)	NIP Estimated Amount (M EUR)
South	Regional	EIB	SME local currency initiative	Private sector	480	20
South	Regional	EBRD	Extension of the Small Business Advise programme	Private sector	30	25

Appendix 2: NIP East Indicative Pipeline 2019-2020

Sub-region	Country	Lead Finance Institution	Operation's Title	Sector	Estimated Total Investment (M EUR)	NIP Estimated Amount (M EUR)
East	Armenia	EBRD	Solar Power Plant on batteries	Energy	12	3
East	Armenia	EIB	Energy Efficiency Program Public Buildings	Energy Efficiency	53	10
East	Armenia	EBRD	CEPA Facility	SME	67	7
East	Armenia	EBRD	North-South Corridor (Sisian-Kajaran)	Transport	390	50
East	Azerbaijan	EBRD	Eastern Europe energy Efficiency and Environment Partnership, E5P	Water and environment	100	10
East	Belarus	EBRD	Eastern Europe energy Efficiency and Environment Partnership, E5P – Phase II	Water and environment	100	5
East	Belarus	EBRD	Green Economy Financing Facility	Private sector	80	14
East	Belarus	EIB	Belarus Railway Infrastructure	Transport	200	12
East	Georgia	EBRD	Green Economy Financing Facility (Georgia)	Finance	121	21

East	Georgia	KfW	Central Georgia Solid Waste Project	Waste management	45	10
East	Georgia	AFD	Improvement of water supply and sanitation in Khashuri	Water and sanitation	51	7
East	Georgia	EIB	Georgia Transport Connectivity (GTC) Phase II	Transport	1000	20
East	Georgia	EBRD/KfW	Energy Efficiency Programme in Public Buildings	Energy	100	25
East	Georgia	KfW	Communal Infrastructure for Environment and Tourism	Municipal	120	8
East	Ukraine	EBRD	Ukraine Public Transport Framework	Public Transport	75	14.5
East	Ukraine	EIB	Investment grant for Ukraine Transport Connectivity	Transport	110	35
East	Ukraine	EIB	Vocational Education and Training in Ukraine	Education	100	10
East	Ukraine	EBRD	Energy Efficiency in Public Buildings	Energy efficiency	80	16
East	Ukraine	EBRD	Ivano-Frankivsk Solid Waste	Solid Waste	8	2
East	Ukraine	KfW	Ukraine - Municipal Infrastructure Development	Communal Infrastructure	85	23

East	Ukraine	EBRD	Green Economy Financing Facility (Ukraine)	Finance	125	25
East	Ukraine	EIB	Ukraine energy efficiency fostering citizens engagement	Energy Efficiency	600	25
East	Ukraine	NEFCO	Energy efficiency improvements in public buildings in Kherson city	Energy Efficiency	7.25	1.5
East	Ukraine	EBRD	Ukraine Local Currency for intermediated finance for SME	SME	150	15
East	Ukraine	EBRD	Mariupol Solid Waste Project	Solid Waste	20	6.25
East	Ukraine	EBRD	Kherson Trolleybus Project (Ukraine Public Transport Framework)	Public Transport	10	2
East	Ukraine	EBRD	Uzhgorod Energy Efficiency	Energy Efficiency	12	1.5
East	Ukraine	NEFCO	Energy efficiency improvements in public buildings in Rivne city	Energy Efficiency, public	7.25	1.30
East	Ukraine	NEFCO	Energy Saving Credits	Energy Efficiency, public	10	6
East	Regional	EIB	Municipal Project Support Facility - Phase II	Energy Efficiency	520	20
East	Regional	EBRD	FINTECC	Private	Tbd	15

East	Regional	EBRD	Renewable Energy Investment Platforms	Private	Tbd	5
East	Regional	EBRD	Women in Business Programme	Private	77	7
East	Regional	EBRD	Deepening DCFTA impact	Private	207	47
East	Regional	EIB	Eastern Partnership Transport Connectivity Facility	Transport	Tbd	Tbd
East	Regional	EBRD	EU-EFI Local Currency Programme	Financial Institutions	Tbd	Tbd
East	Regional	EBRD	EU-Implementation of advisory support for SMEs in Eastern Partnership countries	Private	24	20