

Action fiche for ENP South region Annual Action Programme 2012 (part I)**1. IDENTIFICATION**

Title	Support to the Facility for Euro-Mediterranean Investment and Partnership (FEMIP) (2012) (ENPI/2012/023-853)		
Total cost	EU contribution: EUR 32 million		
Aid method / Management mode	Project approach – centralised indirect management		
DAC-code	32130	Sector	SME development

Preliminary Remark

This decision concerns the 2012 contribution to the Facility for Euro-Mediterranean Investment and Partnership (FEMIP) which is needed to cover the pipeline of operations in 2012-13. Apart from this, nothing is new in this financing decision as compared to the 2007, 2008, 2009, 2010 and 2011 contributions.

This Action Fiche does not repeat general elements of the 2007, 2008, 2009, 2010 and 2011 decisions (EUR 32 million each: C(2007)5134, C(2008)3637, C(2009)3540, C(2010)5136/3 and C(2011)5381) regarding the EU Budget support to the FEMIP, as they remain valid to date. Only updates on programme implementation are presented hereunder, as well as the extension of eligibility to Libya.

2. RATIONALE**Background information**

The overall objective of FEMIP is to promote sustainable economic growth in the region through investments in infrastructure and especially in private sector development.

The "Support for FEMIP" finances both technical assistance and risk capital operations.

The objective of risk capital operations is to provide capital to the private sector of the ENP South partner countries on terms that are not available locally. Risk capital will be invested directly or indirectly in order to (i) support the private sector, i.e. enable the creation, restructuring or growth of enterprises (ii) strengthen the role of the local financial sector by supporting the creation of new institutions or the establishment of new activities for the benefit of the private sector.

Technical assistance will be mobilised to strengthen FEMIP operations in the Mediterranean region, with a special focus on private sector development.

Support to FEMIP's risk-capital portfolio includes more than 500 operations (co-investments, direct operations, investment funds). The European Investment Bank (EIB) has committed EUR 177 million under MEDA II (2000-2006) and so far

EUR 115 million under the European Neighbourhood and Partnership Instrument (ENPI) (2007-2009) for risk capital operations.

As regards technical assistance (TA), by end of 2011, 83 technical assistance operations amounting to EUR 41.6 million were completed, 23 TA operations amounting to EUR 53.1 million were ongoing and 1 TA operation amounting to EUR 0.2 million were approved under the FEMIP Support Fund. The resources under the FEMIP Support Fund being now exhausted, EUR 10 million have been reserved under the 2011 "Support to FEMIP" funds for TA. By the end of 2011, 6 TA operations amounting to EUR 11.1 million were ongoing, 2 TA operations amounting to EUR 2.4 million were approved and 4 TA operations amounting to EUR 8.2 million were initiated by EIB services in close collaboration with project promoters.

The EU Budget allocates a funding of EUR 32 million to the EIB for the year 2012. This amount will be paid to the EIB in one or more pre-financing tranches. The distribution of funds between risk capital and technical assistance will be jointly decided by the EIB and the Commission, based on needs and relevance of proposals.

In accordance with the ENPI Regulation and the Financial Regulation, possible profits generated in the future by the FEMIP risk capital operations funded under the present financing decision may be reallocated to the EU Budget for further FEMIP risk capital operations.

3. DESCRIPTION

There are no changes regarding objectives, expected results and indicators for the 2012 commitment in reference with those stated under "Support to FEMIP" decisions C(2007)5134, C(2008)3637, C(2009)3540, C(2010)5136/3 and C(2011)5381.

The eligible countries under the present financing decision are the 10 ENP South partner countries: Algeria, Egypt, Israel, Jordan, Lebanon, Libya, Morocco, Occupied Palestinian Territory, Syria and Tunisia, excepted in case(s) of suspension of the EU co-operation with one (or more) of these countries.

At the time of writing this action fiche, EU co-operation with Syrian governmental authorities is suspended. The Commission shall assess in the future the opportuneness of involving Syrian authorities in the implementation of actions.

4. IMPLEMENTATION ISSUES

There are no changes regarding implementation issues for the 2012 commitment in reference with those stated under "Support to FEMIP" decisions C(2007)5134, C(2008)3637, C(2009)3540, C(2010)5136/3 and C(2011)5381.