

Annex 2: Action Fiche for Mediterranean region

1. IDENTIFICATION

Title	Support to the FEMIP (2011) (CRIS number 23042)		
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 2011 contribution to the FEMIP which is needed to cover the pipeline of operations in 2011-12. Apart from this, nothing is new in this Financing Decision as compared to the 2007, 2008, 2009 and 2010 contributions.

This Action Fiche does not repeat general elements of the 2007, 2008, 2009 and 2010 Decisions (EUR 32 million each: C(2007)5134, C(2008)3637, C(2009)3540 and C(2010)5136/3) regarding EU budget support for the FEMIP, as they remain valid. Only updates on programme implementation are presented hereunder.

2. RATIONALE

Background information

The overall objective of the Facility for Euro-Mediterranean Investment and Partnership (FEMIP) is to promote sustainable economic growth in the region through investments in infrastructure and especially in private sector development.

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

The objective of risk capital operations is to provide capital to the private sector of Mediterranean 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 the FEMIP" risk-capital portfolio includes more than 500 operations (co-investments, direct operations, investment funds). The European Investment Bank (EIB) has committed EUR 182 million under MEDA II (2000-2006) and so far EUR 105 million under the ENPI (2007-2009) for risk capital operations.

As regards technical assistance (TA), by end of 2010, 74 technical assistance operations amounting to EUR 34.2 million were completed, 29 TA operations

amounting to EUR 59.7 million were ongoing and 1 TA operations amounting to EUR 0.2 million were approved under the FEMIP Support Fund. The resources under the FEMIP Support Fund being now exhausted, EUR 13 million have been reserved under the 2010 "Support to FEMIP" funds for TA. By the end of 2010, 2 TA operations amounting to EUR 4.1 million were ongoing, 4 TA operations amounting to EUR 7.8 million were approved and 3 TA operations amounting to EUR 3.3 million were initiated by EIB services in close collaboration with project promoters.

The European Union allocates a budget of EUR 32 million to the EIB for the year 2011. This amount will be paid to the EIB in two pre-financing tranches: one for risk-capital operations, one for technical assistance. The distribution of funds between risk capital and technical assistance will be decided jointly by the EIB and the Commission, based on needs and relevance of proposals.

3. DESCRIPTION

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

4. IMPLEMENTATION ISSUES

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