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COMMISSION IMPLEMENTING DECISION

of 20.8.2014

**on the European Neighbourhood wide Action Programme 2014 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 of the European Parliament and of the Council (EU) No 236/2014 establishing common implementing rules and procedures for the implementation of the Union's instruments for external action¹, and in particular Article 2(1) thereof,

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 1605/2002², and in particular Article 84(2) thereof

Whereas:

- (1) The Commission has adopted an *European Neighbourhood – wide measures'* Priorities (2014-2020)³ and Multiannual Indicative Programme (2014-2017) which indicates as priority 1 “Building a partnership for inclusive economic development and integration” that includes support to investment and social and private sector development and makes reference to the Neighbourhood Investment Facility (NIF); and as priority 3 "Targeted capacity building" that includes supporting the approximation of the regulatory framework to EU norms and standards and enhancing public governance systems and makes reference to multi-country programmes such as Technical Assistance and Information Exchange (TAIEX) and Support for Improvement in Governance and Management (SIGMA) to support approximation and public governance systems. The objectives pursued by the Action Programme to be financed under the European Neighbourhood Instrument⁴ are 1) TAIEX: to provide EU expertise to European Neighbourhood partner countries to achieve their “progressive integration into the Union internal market and enhanced sector and cross-sectoral co-operation including through legislative approximation and regulatory convergence towards Union and other relevant international standards and related institutional building; 2) SIGMA: to support European Neighbourhood partner countries to make significant progress in their public governance reforms by enhancing the capacity of the public administration and transfer of know-how and best-practices to reinforce horizontal systems of public governance through provision of high level European public expertise; 3) NIF: to facilitate additional investments in infrastructure in transport, energy, environment, with a particular focus on climate change mitigation and adaptation, and to support social and private sector development in the European Neighbourhood Partner Countries.

¹ OJ L 77, 15.3.2014, p. 95.

² OJ L 298, 26.10.2012, p. 1.

³ Decision C(2014) 5196

⁴ Regulation of the European Parliament and of the Council establishing a European Neighbourhood Instrument, OJ L 77/27, 15.3.2014.

- (2) This Decision complies with the conditions laid down in Article 94 of Commission Delegated Regulation (EU) No 1268/2012 of 29 October 2012 on the rules of application of Regulation No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union⁵.
- (3) The Commission may entrust budget-implementation tasks under indirect management to the entities identified in this Decision, subject to the conclusion of a delegation agreement. The responsible authorising officer has accordingly ensured that these entities comply with the conditions of points (a) to (d) of the second subparagraph of Article 60(2) of Regulation (EU, Euratom) No 966/2012. Some of the possible entrusted entities are International Organisations (European Bank for Reconstruction and Development (EBRD), Council of Europe Development Bank (CEB), Nordic Investment Bank (NIB), Organisation for Economic Co-operation and Development (OECD)) that are currently undergoing the ex ante assessment in accordance with Article 61(1) of Regulation (EU, Euratom) No 966/2012. Other possible entrusted entities are public bodies or bodies governed by private law with a public service mission (Agence Française de Développement (AFD), Kreditanstalt für Wiederaufbau (KfW), the Spanish Agency for International Development Cooperation (AECID) and the Italian Società Italiana per le Imprese all'Estero (SIMEST)) will undergo the ex ante assessment in accordance with Article 61(1) of Regulation (EU, Euratom) No 966/2012 related to financial instruments. In both cases and in anticipation of the results of such assessments the responsible authorising officer deems that, based on a preliminary evaluation and on the longstanding and problem free cooperation with these entities, they can be trusted with budget implementation tasks under indirect management.
- (4) The Commission may entrust budget-implementation tasks under indirect management to the partner country identified in this Decision, subject to the conclusion of a financing agreement. In accordance with Article 60(1)(c) of Regulation (EU, Euratom) No 966/2012, the responsible authorising officer has ensured that measures have been taken to supervise and support the implementation of the entrusted tasks to the partner country. A description of these measures and the entrusted tasks are laid down in the Annexes to this Decision.
- (5) The maximum contribution of the European Union set by this Decision should cover any possible claims for interest due for late payment on the basis of Article 92 of Regulation (EU, Euratom) No 966/2012 and Article 111(4) of Delegated Regulation (EU) No 1268/2012.
- (6) The Commission is required to define the term "non-substantial change" in the sense of Article 94(4) of Delegated Regulation (EU) No 1268/2012 to ensure that any such changes can be adopted by the authorising officer by delegation, or under his or her responsibility, by sub-delegation (hereinafter referred to as the 'responsible authorising officer').
- (7) The measures provided for in this Decision are in accordance with the opinion of the European Neighbourhood Instrument Committee set up by the basic act referred to in Recital 1⁶.

⁵ OJ L 362, 31.12.2012, p. 1.

⁶ OJ L 247, 9.9.2006, p. 32.

HAS DECIDED AS FOLLOWS:

Article 1

Adoption of the measure

The following Action Programme, constituted by the actions identified in the second paragraph and attached as annexes, is approved:

The actions constituting this measure are:

- Annex 1: "Technical Assistance and Information Exchange (TAIEX)";
- Annex 2: "Support for Improvement in Governance and Management (SIGMA)";
- Annex 3: "Contribution to the Neighbourhood Investment Facility (NIF)".

Article 2

Financial contribution

The maximum contribution of the European Union authorised by this Decision for the implementation of this Action programme is set at EUR 374.7 million to be financed from budget lines 21.03.01.02 (EUR 259.8 million), 21.03.02.02 (EUR 104.9 million) and 21.03.03.03 (EUR 10 million) of the general budget of the European Union for 2014.

Article 3

Implementation modalities

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

Section 4 of the Annexes referred to in the second paragraph of Article 1 sets out the elements required by Article 94(2) of Delegated Regulation (EU) No 1268/2012.

The financial contribution referred to in Article 2 shall also cover any possible interests due for late payment.

Article 4

Non-substantial changes

Increases or decreases of up to EUR 10 million not exceeding 20 % of the contribution referred to in the first paragraph of Article 2, or cumulated changes to the allocations of specific actions not exceeding 20 % of that contribution shall not be considered substantial, provided that they do not significantly affect the nature and objectives of the actions. The responsible authorising officer may adopt these non-substantial changes in accordance with the principles of sound financial management and proportionality.

Done at Brussels, 20.8.2014

For the Commission
Štefan FÜLE
Member of the Commission

ANNEX 1

of the Commission Implementing Decision on the European Neighbourhood wide
Action Programme 2014 to be financed under the budget line 21.03.02.02

Action Document for 'Technical Assistance and Information Exchange (TAIEX)'

1. IDENTIFICATION

Title/Number	Technical Assistance and Information Exchange (TAIEX) CRIS number: ENI/2014-037-659		
Total cost	Total estimated cost: EUR 4 million Total amount of EU budget contribution: EUR 4 million of which EUR 4 million for Neighbourhood East (TAIEX-2014 East))		
Aid method / Management mode and type of financing	Project Approach – Centralised direct Direct management by Directorate-General for Enlargement (procurement of services)		
DAC-code	15110	Sector	Public sector Policy and administrative management

2. RATIONALE AND CONTEXT

2.1. Summary of the action and its objectives

TAIEX is the Technical Assistance and Information Exchange instrument with an objective to provide EU expertise to European Neighbourhood partner countries, to achieve their “progressive integration into the Union internal market and enhanced sector and cross-sectoral co-operation including through legislative approximation and regulatory convergence towards Union and other relevant international standards and related institutional building”, in the framework of the European Neighbourhood wide Action programme and in line with the European Neighbourhood Instrument overall objective of establishing “an area of prosperity and good neighbourliness” with partner countries.

The expertise provided through TAIEX is mainly delivered by EU Member States public administrations experts, and it covers all acquis related fields through the provision of assistance in the legal harmonisation process and capacity building of implementing and enforcement bodies and in support to the implementation of the Partnership and Cooperation Agreements, Association Agreements and Agendas or other existing and future agreements and jointly agreed action plans. TAIEX facilitates the transfer of know-how through workshops/seminars/conferences, experts’ missions (practitioners-to-practitioners) and study visits to EU Member States. Such support is mobilised in a flexible way and complements or is a specific

component of more comprehensive efforts deployed through other EU tools and instruments.

It is largely demand driven and facilitates the delivery of tailor-made expertise to address issues at short notice.

Following Council Decision 2006/62/EC of 23 January 2006, the TAIEX instrument is fully operational for ENP countries.

Directorate-General for Enlargement will continue to be in the lead in managing TAIEX, partly by out-sourcing certain services but with input from European Union Delegations and Development and Cooperation DG - EuropeAid on relevance and eligibility of requests coming from partner countries. The requests will be assessed on the basis of their relevance to the EU bilateral cooperation objectives and the commitment of the beneficiary institutions to progress in relevant policy areas.

2.2. Context

2.2.1. *European Neighbourhood wide context*

The European Neighbourhood Policy (ENP) strives to strengthen the partnership between the EU and the countries and societies of the neighbourhood. Its global objective is “to build and consolidate healthy democracies, pursue sustainable economic growth and manage cross-border links”.

The European Neighbourhood Instrument (ENI) supports the development of a special relationship with neighbouring countries, with the aim of establishing an area of prosperity and good neighbourliness at the EU’s borders. Accordingly, the European Neighbourhood Instrument’s objective is to achieve progress towards “an area of shared prosperity and good neighbourliness” between EU Member States and their neighbours.

Within the multi-country strategies, the Neighbourhood-wide programme will serve as a framework for those instruments which are deemed to be most effectively implemented across all countries of the Neighbourhood. It will support initiatives which by their nature or size would be less effectively implemented through bilateral or regional programmes.

The Neighbourhood-wide programme will pursue a number of priorities that have been chosen for implementation taking into account the bilateral and regional programmes, one of them is to provide targeted capacity building to European Neighbourhood countries in order to support and foster them in the development and implementation of reforms.

TAIEX will contribute to this objective by supporting the approximation of the regulatory framework to EU norms and standards and building institution capacity through transfer of know-how and EU best practices among practitioners. This will take the form of workshops/seminars, experts missions, work from home and/or study trips.

2.2.2. Sector context: policies and challenges

In the framework of the Neighbourhood-wide programme and based on an assessment conducted of the assistance provided to ENP partners to date, certain areas of co-operation should continue to cover the entire Neighbourhood, in cases where this offers added value and/or there are efficiency gains. The main areas concerned are public investment, education and institution-building.

Support to partner countries efforts in regulatory convergence and institution capacity building has been and still is the core approach of the European Neighbourhood Policy in promoting enhanced political cooperation and progressive integration between the Union and its partner countries, be it through bilateral cooperation, regional or EN-wide programmes.

In this process, TAIEX remains a significant tool for providing the necessary EU expertise and best-practices, even more so as support is demand-driven, mobilised in a flexible way, tailor-made to the needs of the partner country/beneficiary institution and complementary with other more comprehensive technical supports deployed through a range of tools at the EU disposal.

The political context of the neighbourhood countries remains a challenge to efficient implementation of bilateral agreements, regulatory convergence and efficient performance of implementing and enforcement bodies. However, TAIEX interventions are short-term therefore flexible and can adapt quickly to the constraints in the field.

TAIEX interventions will be closely coordinated with EU Delegations and with the objectives of EU bilateral cooperation to ensure effectiveness and impact.

2.3. Lessons learnt

The TAIEX tool, initially conceived for candidate countries, has been very well received in the ENI beneficiary countries. Its modalities of implementation are a strong element: the requests submission and their approval are quick (within 2-3 weeks in average) and the mobilisation of experts or the organisation of events is flexible and adapted to the constraints in the field.

More than 2 200 requests have been submitted by the Neighbourhood region since the introduction of TAIEX to the latter, (600 requests per year on average, since 2010), reflecting its wide-use. More than 50 200 participants benefited from TAIEX support in the framework of single and multi-country events. Internal market and Justice and Home Affairs related issues were frequently the fields targeted by TAIEX, in support to policy agreements.

In 2013, the number of requests received from the East Neighbourhood countries represented 70% of the total (cca.435) whereas the requests coming from the South Neighbourhood countries represented some 30% of the total (cca.179) which is an increase of this imbalance compared to 2012 (64% vs. 36%). For that reason, only east funds are needed to replenish TAIEX in the framework of the current annual action programme.

The consumption of the TAIEX funds will be monitored closely.

Delegations will be asked to have a more proactive role in overseeing and validating TAIEX request coming from beneficiary countries' administrations.

This will help integrate the requests more closely with the delegations' activities and stabilise the number of requests' significant increase observed in the recent years.

By the same token, where demand is too low measures will be envisaged by the TAIEX national contact point and the delegation to make a more intensive use of the tool through advocating and publicising on the possibilities offered by TAIEX with the national administrations that could potentially benefit from it.

2.4. Complementary actions

The TAIEX instrument provides assistance in all acquis related areas by supporting national harmonisation and convergence efforts seeking complementarity and synergies with other on-going EU funded interventions, especially through the two other Institution Building tools Twinning and SIGMA. Such a mixture of tools has proven to be an optimal approach for delivering technical assistance to beneficiary countries and will continue to be so.

TAIEX in synergy with the Twinning tool and SIGMA's interventions:

Coherence and complementarity between TAIEX and the two other institution building tools Twinning and SIGMA, are adequately guaranteed through regular consultation with common stakeholders.

The approval mechanism of TAIEX requests which are submitted by the Beneficiary Institution foresees consultation with the Programme Administration Offices (PAOs) or TAIEX National Contact Point, the EU Delegations, line DGs and Development and Cooperation DG - EuropeAid, an approach that ensures coherence with other EU funded projects and value-added. SIGMA planning of interventions is as well devised with the EU Delegations and the PAOs.

Also, TAIEX can be used to identify relevant fields for future Twinning projects or to deliver follow-up interventions to those twinning projects ensuring even further the sustainability of achieved results. SIGMA experts could recommend using TAIEX for punctual interventions in highly specialised fields to complement their actions.

2.5. Donor coordination

Each TAIEX request is individually assessed to verify its relevance and complementarities with other donors' forecasted operations through a coordinated procedure at the level of both the Delegations and Commission Headquarters.

3. DETAILED DESCRIPTION

3.1. Objectives

The overall purpose is to contribute, in all areas required, to the implementation of EU bilateral Cooperation related Agreements, with a focus on regulatory convergence and institution capacity building in ENI partner countries.

The purpose of the activity is to share with the partner countries experience, know-how and information on EU policies and legislation in the widest sense and thus assist the beneficiary institutions in implementing the commitment under the Agreements (Association or Partnership and Cooperation Agreements or any other bilateral agreement or cooperation framework with the EU).

The role of TAIEX is that of a facilitator, channelling requests for assistance and cooperation from the concerned public administrations and sometimes private sector associations to Member States for the delivery of short-term, tailor-made public administration expertise to address specific issues at short notice.

3.2. Expected results and main activities

The expected **results** from the TAIEX instrument is its contribution to the harmonisation of the regulatory framework and sharing of best practices with partner countries, in acquis related fields, through the provision of short term technical assistance delivered mainly by experts from Member States Public Administration to a partner countries' wider audience from officials at national level. The dissemination of updated information through TAIEX's website and databases will provide for quantitative feedback on achieved results.

The expected results of the programme are:

- Provision of information and updates on EU legislation and policies by experts from Member States' Public Administration ;
- Better understanding of the acquis and related rules and standards;
- Intensification of cooperation with a view to improved regulatory convergence and legislative approximation towards higher standards.

The indicators to measure those results are:

- Numbers of implemented events, participants and experts mobilised;
- Number of assessment reports.

Updated information on type and number of events and assessment reports will be disseminated through TAIEX databases and website.

As regards **activities**, TAIEX contributions will be deployed in a variety of forms: seminars, workshops, conferences, expert missions and study visits, depending on the relevance of the activity to the requested support.

Since TAIEX is essentially a demand-driven instrument, it requires a pro-active approach from the national administrations, notably through a TAIEX National Contact Point appointed – when appropriate – within the Programme Administration Office (PAO) for Twinning. The requests are approved by EU Delegations according to their relevance to the priorities of the EU bilateral cooperation related Agreements.

3.3. Risks and assumptions

The unpredictable political context of the Neighbourhood Countries remains a moderate challenge for the efficient implementation of the tool.

TAIEX mechanism is flexible and allows for timely mitigations when faced with a difficult context, with limited damages to mobilised resources.

Operational difficulties could arise in relation to the specific and various visa regimes being applied. Advanced planning and specific attention in the early phases of an event preparation should help overcome these. The general assumption is that Member States will continue to support the scheme by facilitating the use of public sector expertise.

3.4. Cross-cutting issues

Insofar as basic crosscutting issues (*environmental sustainability, gender equality; good governance and human rights; etc.*) are covered by EU legislation, they are *de facto* dealt with in all TAIEX activities. Moreover, they are also directly addressed in specific TAIEX events.

3.5. Stakeholders

Partner countries covered under the ENI regulation are eligible for TAIEX's intervention, more specifically: Algeria, Armenia, Azerbaijan, Belarus, Egypt, Georgia, Israel, Jordan, Lebanon, Libya, the Republic of Moldova, Morocco, Palestine¹, Syria², Tunisia and Ukraine³.

The beneficiaries of TAIEX assistance include those sectors, mainly public but also private, which have a role to play in the countries concerned with regard to the harmonisation of national legislation, rules and standards with the corresponding set of EU norms, including aspects related to implementation and enforcement. Potential stakeholders can include public central administrations, national parliaments, judiciary bodies, private sector associations and social partners.

Generally experts deployed by TAIEX come from the administrations of EU Member States. In order to rapidly match needs with available expertise, TAIEX manages an "experts database" in which more than 5,000 experts from all Member States are registered, with their specific competences, language skills, etc. Moreover, TAIEX has also set up a network of contact persons in each Member State through whom national experts can also be identified.

If relevant, partner countries other than ENI SPCs (Mauritania, Mali, Niger, Chad, Sudan, Saudi Arabia, Qatar, Kuwait, United Arab Emirates, Bahrain, Iraq, Turkey, Bosnia and Herzegovina, Serbia, Montenegro, Kosovo*, Albania, the former

¹ This designation does not entail any recognition of Palestine as a state and is without prejudice to positions on the recognition of Palestine as a state.

² EU Cooperation with Syria is currently suspended due to the political situation in the country; however, since in principle Syria is eligible for cooperation under the ENI, activities may be taken up again once the situation improves.

³ Activities involving Russia may be envisaged, as per Article 1 (3) of Regulation (EU) 236/2014.

* This designation is without prejudice to positions on status, and is in line with UNSCR 1244/99 and the ICJ Opinion on the Kosovo declaration of independence

Yugoslav Republic of Macedonia) might be associated to the activities foreseen by this action, in accordance with Article 16(1) of Regulation (EU) No 232/2014.

4. IMPLEMENTATION ISSUES

4.1. Financing agreement

In order to implement this action, it is not foreseen to conclude a financing agreement with the partner country, referred to in Article 184(2)(b) of Regulation (EU, Euratom) No 966/2012.

4.2. Indicative operational implementation period

The indicative operational implementation period of this action, during which the activities described in sections 3.2. and 4.3. will be carried out, is 36 months from the date of entry into force of the financing agreement or, where none is concluded, from the adoption of this Action Document, subject to modifications to be agreed by the responsible authorising officer in the relevant agreements. The European Parliament and the relevant Committee shall be informed of the extension of the operational implementation period within one month of that extension being granted.

4.3. Implementation components and modules

The action will be implemented under direct management through a service contract. Management of the action will be delegated to Enlargement DG through a cross sub-delegation from Development and Cooperation DG – EuropeAid to Enlargement DG.

4.3.1 Procurement (direct management)

Subject	Type (works, supplies, services)	Indicative number of contracts	Indicative trimester of launch of the procedure
TAIEX	Services	1	Q4-2014

4.4. Scope of geographical eligibility for procurement and grants

Subject to the following, 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 shall apply.

The responsible authorizing 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.

4.5. Indicative budget

Module	Amount in EUR thousands	Third party contribution (indicative, where known)
4.3.1 – Procurement (direct management)	4 000	N.A.
Total	4 000	N.A.

4.6. Performance monitoring

The Commission may undertake any actions it deems necessary to monitor the programme. In particular, mechanism of evaluation and monitoring described in section 4.7 will apply.

4.7. Evaluation and audit

The “Impact Feedback”, a new TAIEX evaluation tool become operational mid-2013. The "Impact Feedback", gathers information on tangible impacts of TAIEX events six months after their implementation. The tool is straightforward. Before the organisation of the event the beneficiary administration is asked to identify a person who is in a position to assess the event's impact. Six months after the event this person is asked to fill a questionnaire.

The results of the evaluation shall be taken into account in the programming and implementation cycle.

Complementarity of TAIEX with other institutional building instruments is taken into account when the latter are monitored and/or evaluated (i.e. institutional Twinning).

The accounts and operations of all activities carried out under the programme are subject to supervision and financial control by the Commission (including the European Anti-Fraud Office) and audits by the European Court of Auditors.

The accounts and operations of all parties involved in the implementation of this programme may be checked at the Commission's discretion by the Commission itself or by an outside auditor contracted by the Commission.

4.8. Communication and visibility

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

This action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility Plan of the Action, to be elaborated before the start of implementation and supported with the budget indicated in section 4.5 above.

The measures shall be implemented either (a) by the Commission, and/or (b) by the partner country, contractors, grant beneficiaries and entrusted entities. Appropriate

contractual obligations shall be included in, respectively, financing agreements, procurement and grant contracts, and delegation agreements.

The Communication and Visibility Manual for European Union External Action shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

ANNEX 2

of the Commission Implementing Decision on the European Neighbourhood wide Action Programme 2014 to be financed under the budget line 21.03.01.02 for the South and 21.03.02.02 for the East

Action Document for 'Support for Improvement in Governance and Management (SIGMA)'

1. IDENTIFICATION

Title/Number	Support for Improvement in Governance and Management (SIGMA) CRIS number: ENI/2014/342-179		
Total cost	Total estimated cost: EUR 9 183 673 Total amount of EU budget contribution: EUR 9 million of which EUR 4.5 million for Neighbourhood East EUR 4.5 million for Neighbourhood South This action is co-financed in joint co-financing by the Organisation for Economic Cooperation and Development (OECD) for an amount of EUR 183 673		
Aid method / Management mode and type of financing	Project approach Indirect management with the Organisation for Economic Cooperation and Development (OECD)		
DAC-code	15110	Sector	Public sector policy and administrative management

2. RATIONALE AND CONTEXT

2.1. Summary of the action and its objectives

Support for Improvement in Governance and Management (**SIGMA**) is a joint initiative of the European Union (EU) and the Organisation for Economic Cooperation and Development (OECD). It aims to provide European expertise to countries of the Neighbourhood regions, East and South, in five key areas pertaining to public governance reform: 1/ civil service and public administration organisation and functioning; 2/ public finance and audit; 3/ public procurement; 4/ policy making and 5/ civil service development strategy and reform.

Activities include assessment of public governance systems, provision of strategic advice, methodologies and tools in support to reforms. They are carried out at country and regional levels in response to local specific needs and priorities, in line

with EU cooperation objectives. Multi-country level interventions aim to promote exchanges of best practices and economies of scale.

SIGMA's interventions will be programmed in close cooperation with the European Union Delegations (EU Delegation) and the Programme Administration Office (PAO) mandated by the partner country government to manage EU funded programmes. They will take account of the main objectives of EU bilateral cooperation, beneficiaries' commitment level and other donors' interventions in the field of public governance reforms.

2.2. Context

2.2.1. *European Neighbourhood wide context*

The European Neighbourhood Policy (ENP) strives to strengthen the partnership between the EU and the countries and societies of the neighbourhood. Its global objective is "to build and consolidate healthy democracies, pursue sustainable economic growth and manage cross-border links".

Accordingly, the European Neighbourhood Instrument's (ENI) objective is to achieve progress towards 'an area of shared prosperity and good neighbourliness' between EU Member States and their neighbours.

In this context and in the framework of the European Neighbourhood wide programme and based on an assessment conducted of the assistance provided to ENP partners to date, certain areas of co-operation should continue to cover the entire Neighbourhood, in cases where this offers added value and/or there are efficiency gains. The main areas concerned are public investment, education and institution-building.

The European Neighbourhood wide programme will pursue a number of strategic objectives that have been chosen for implementation taking into account the bilateral and regional programmes, one of them is to provide targeted capacity building to European Neighbourhood countries.

This objective will be reached by supporting the approximation of the regulatory framework to EU norms and standards and enhancing public governance systems (governance reforms) through the provision of EU public expertise in good governance, through tools and instruments such as SIGMA.

The European Neighbourhood wide programmes 2014-2020 will support initiatives which by their nature or size would be less effectively supported through bilateral or regional programmes while enabling specific commitments towards particular areas of policy interest.

Strengthening public governance systems and public administration capacities in partner countries, in particular with a view to implementing agreements with the EU, ENP Action Plans and future Single Support Frameworks contributes to promoting fundamental freedoms and to establishing an area of prosperity and good neighbourliness.

2.2.2. Sector context: policies and challenges

Support to reform processes, in particular public governance reforms, in the partner countries has been and still is at the core of the ENP and will represent a major share of programmes at all levels.

The main features of public governance reforms are regulatory convergence, approximation of national legal frameworks to EU regulations and norms, the development of best practices in compliance with EU and international norms and standards, in a range of fields such as public finance and civil service reform, policy making and strategy reform.

In the majority of the neighbourhood countries, national strategic documents for public governance reform have been adopted, reflecting the will and commitment of the government to modernize their systems.

In this context, SIGMA remains instrumental in providing support to the European Neighbourhood countries in their efforts to reform their public governance systems.

The political context of the neighbourhood countries remain a challenge to efficient public governance reforms, especially in situations of unrest in a number of them.

SIGMA's interventions will be closely coordinated with EU Delegations and the objectives of EU bilateral cooperation to ensure effectiveness and impact and to monitor progress and adapt the work programme and approach if necessary.

2.3. Lessons learnt

In providing its support and as an EU-OECD initiative, SIGMA benefits from OECD's context and 50 years long experience and expertise in governance reforms related fields.

The OECD, through its Governance Directorate, provides a source of comparative knowledge on Member States systems and reform strategies and networks of practitioners from all Member States, elements that SIGMA benefits from when providing support.

SIGMA staff consists of a pool of permanent experts, commonly previous officials of EU Member States national administrations. In addition, temporary high level experts are recruited through individual service contracts, to carry out the planned interventions in the domains of assistance jointly agreed with the countries. This practitioner-to-practitioner approach is the benefit and value-added that SIGMA brings to the Neighbourhood countries.

Moreover, SIGMA's support is tailored to the needs of partner countries and beneficiary institutions and fine-tuned to complement EU bilateral cooperation. Each intervention includes a small number of activities, in a narrow field of expertise, matching beneficiary institutions capacity.

This has made SIGMA an efficient tool in the delivery of support in public governance reform related fields, as confirmed by the evaluation conducted in 2013 .

- High quality of SIGMA expertise widely acknowledged in all ENP beneficiary countries. E.g. SIGMA has been reported to understand complex administrative issues better than any other international assistance provider.
- High degree of timeliness, efficiency, usefulness and competence demonstrated by experts in addressing the issues at stake. SIGMA is an excellent tool for transferring EU and international best practices.
- SIGMA generally facilitates very quick assistance interventions provided in “real time” (no long delays related to programming procedures), based upon actual and urgent needs expressed by beneficiaries at a certain moment.
- Excellent analytical skills demonstrated by SIGMA experts.
- Participatory approach.

The activities so far implemented in the European Neighbourhood Policy Instrument countries are in the following sectors: 1/ civil service and public administration organisation and functioning; 2/ public finance and audit; 3/ public procurement; 4/ policy making and 5/ civil service development strategy and reform.

SIGMA assistance has been closely co-ordinated with other institution building instruments, ensuring coherence with all EU activities, in particular TAIEX and Twinning as well as other bilateral and regional projects.

The combination of tools made available by the European Union to support countries reform , ranging from the longer-term comprehensive support through the Twinning tool, to the rapid mobilisation of mid-term interventions, such as SIGMA, has proven to be an efficient approach to support partner countries and progress towards the agreed objectives.

2.4. Complementary actions

The action will seek complementarity with other institution building tools available in the neighbourhood, notably Twinning and TAIEX. This will be ensured through coordination with the PAO and the EUD of the beneficiary countries, particularly when the country benefits from assistance in the domains of public administration reform and public finance management.

2.5. Donor coordination

SIGMA programme is a joint initiative of the EU and OECD, principally financed by the EU. It was launched in 1992 with the aim to support central and eastern European countries to build public governance institutions suitable for a democracy operating under the rule of law and with a free market economy.

Donor coordination, as well as synergies between Twinning and TAIEX operations, is also ensured through close coordination with the EU Delegations and regular interaction with major donors active in these fields.

3. DETAILED DESCRIPTION

3.1. Objectives

The objective of the SIGMA Programme is to help ENI countries to achieve significant progress in their public governance reforms through enhancing the capacity of the public administration, transfer of know-how and best-practices exchanges.

This is in compliance with the strategic objective of the European Neighbourhood wide programme to provide targeted capacity building to European Neighbourhood countries.

3.2. Expected results and main activities

The project is expected to contribute in delivering the following results:

- the establishment of a stable and transparent legal framework for professional, efficient and reliable public governance;
- the improvement of the public governance ability to set up and participate in public-private partnerships;
- the improvement of the consultation and cooperation process with business associations, social partners, NGOs and sub-national levels of government;
- the improvement of public governance performance to ensure that services to citizens and business are effective and respond to their needs;
- the establishment of necessary implementation mechanisms for effective governance and accountability mechanisms for public governance;
- the establishment of effective public policy (including regulatory) development and co-ordination systems;
- the establishment of effective resource allocation systems (including procurement) as well as internal control, internal and external audit.

A strategic approach with a multiannual outlook, in compliance with EU bilateral cooperation objectives, is ensured through the SIGMA country programming mission in close coordination with the PAOs and EU Delegations.

All work will be carried out with shared responsibility with national institutions in the beneficiary countries.

Below are some of the main activities that could be undertaken in this framework:

- advice on reforms, design and implementation of strategic development plans;
- peer reviews/assistance;
- assistance in planning, monitoring and evaluating reforms;
- analysis and assessment of legal frameworks, methodologies, systems and institutions;
- trainings;
- methodological, technical and strategic input to optimise Commission assistance;

- support to networks in priority areas as requested by the Commission or proposed by the beneficiaries;
- adequate dissemination of programme objectives and results;
- Opportunities to share good practice from a wide range of countries.

Activities are carried out at country and multi-country levels.

SIGMA will provide support to the European Neighbourhood countries in their efforts to reform their public governance systems, by assessing their institutions, legal frameworks, reform strategies and action plans and by providing them with methodologies and tools to implement those reforms. These include: recommendations on improving laws and administrative arrangements; advice on the design and implementation of reforms; opportunities to share good practice from a wide range of countries and policy papers and multi-country studies.

The programme focuses on public governance reforms' related areas identified in the ENP Action Plans, National Indicative Programmes, Single Support Frameworks and on underlying general governance reforms.

Consequently, SIGMA will undergo a programming exercise to adapt its activities to the needs of each partner country. The programming documents will be consulted with main stakeholders, the EU Delegation, the PAO, Development and Cooperation DG - EuropeAid's services and beneficiary institutions before it is approved for implementation by the Commission.

Activities will be programmed mainly by country (a small proportion of the programme will be implemented on regional or inter-regional level), for a multi-annual period and in close coordination with the EUD to ensure coherence with the EU bilateral cooperation programmes and complementarity and synergies with planned support in that framework.

A programming document will be produced which will be duly consulted with all stakeholders and approved by Development and Cooperation DG - EuropeAid's services. Some degree of flexibility will be retained in this approach to adapt to the reality on the ground therefore allowing the introduction and/or replacement of a small number of interventions. The implementation of the activities will be monitored by all stakeholders, Development and Cooperation DG - EuropeAid's services and EU Delegations.

3.3. Risks and assumptions

In the particular context of the Neighbouring Countries, the question of absorption capacity and political commitment is crucial, as is political stability.

SIGMA's intervention mechanism is flexible and allows for rapid shift of resources from country to country (with European Commission agreement) in response to opportunities and risks, ensuring continued, adapted support.

SIGMA engages in relatively small scale, mid-term targeted interventions but in the context of longer term relationships.

In addition, the European Commission will capitalise on the 5 years experience of SIGMA's intervention in the European Neighbourhood countries that will enable the European Commission to build further on the so-far achieved results.

3.4. Cross-cutting issues

The focus of the programme is good public governance, therefore cross-cutting issues, such as the rule of law and human rights, are an integral part of SIGMA interventions.

3.5. Stakeholders

Partner countries covered under the ENI regulation are eligible for SIGMA's intervention, more specifically: Algeria, Armenia, Azerbaijan, Belarus, Egypt, Georgia, Israel, Jordan, Lebanon, Libya, the Republic of Moldova, Morocco, Palestine¹, Syria², Tunisia and Ukraine.

The beneficiary institutions are ministries and public administration bodies acting in fields covered by SIGMA's scope of work (civil service reform, public finance management, audit, etc.).

SIGMA as part of the OECD, benefits from the inter-governmental nature of the organisation and its standing in the countries and therefore is in a position to call on Member State expertise and to efficiently supports the Programme's beneficiaries.

In order to be most effective, SIGMA interventions are designed in close consultation with: the PAO, an office mandated by the government to manage EU funded programmes; the beneficiary institutions, recipients of the policy advise and support; the EU Delegations, who ensures coherency with EU bilateral cooperation and Commission services.

If relevant, partner countries other than ENI countries (Mauritania, Mali, Niger, Chad, Sudan, Saudi Arabia, Qatar, Kuwait, United Arab Emirates, Bahrain, Iraq, Turkey, Bosnia and Herzegovina, Serbia, Montenegro, Kosovo, Albania, Former Yugoslav Republic of Macedonia) might be associated to the activities foreseen by this action, in accordance with Article 16(1) of Regulation (EU) No 232/2014.

4. IMPLEMENTATION ISSUES

4.1. Financing agreement

In order to implement this action, it is not foreseen to conclude a financing agreement with the partner country, referred to in Article 184(2)(b) of Regulation (EU, Euratom) No 966/2012

4.2. Indicative operational implementation period

The indicative operational implementation period of this action, during which the activities described in sections 3.2. and 4.3. will be carried out, is 48 months (indicative duration of activities is 36 months) from the date of entry into force of the financing agreement or, where none is concluded, from the adoption of this Action Document, subject to modifications to be agreed by the responsible authorising officer in the relevant agreements. The European Parliament and the relevant

¹ This designation does not entail any recognition of Palestine as a state and is without prejudice to positions on the recognition of Palestine as a state.

² EU Cooperation with Syria is currently suspended due to the political situation in the country; however, since in principle Syria is eligible for cooperation under the ENI, activities may be taken up again once the situation improves.

Committee shall be informed of the extension of the operational implementation period within one month of that extension being granted.

4.3. Implementation components and modules

4.3.1. *Indirect management with an international organisation*

This action with the objective of supporting European Neighbourhood countries in areas pertaining to public governance reforms may be implemented in indirect management with the OECD in accordance with Article 58(1)(c) of Regulation (EU, Euratom) No 966/2012.

This implementation is justified because it benefits from the 50-year long experience of the OECD in promoting policies that will improve the economic and social well-being of people around the world and its specific expertise in the field of public governance reforms. As part of the tasks delegated to the organisation, OECD will award procurement contracts for consultancy services to high level experts. In addition, SIGMA country programming documents will have to fit into the political frameworks the EU has agreed with the partner countries and SIGMA expertise will be deployed accordingly.

The entrusted entity would devise specific country interventions in its domains of competencies in coordination with the PAO and the EU Delegation. The activities will be implemented via high level experts through expert missions, document/draft law reviews, advice and recommendations, seminar and workshop, among other means. Bilateral and regional activities will be organised.

The entrusted entity is currently undergoing the ex-ante assessment in accordance with Article 61(1) of Regulation (EU, Euratom) No 966/2012. In anticipation of the results of this review, the responsible authorising officer deems that, based on a preliminary evaluation and on the long-standing and problem-free cooperation with this entity, it can be entrusted with budget-implementation tasks under indirect management.

The change of management mode from indirect to direct management, whether partially or entirely, is not considered a substantial change.

4.4. Scope of geographical eligibility for procurement and grants

Subject to the following, 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 shall apply.

The responsible authorizing 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.

4.5. Indicative budget

Module	Amount in EUR thousands	Third party contribution (indicative, where known)
4.3.4. – Indirect management with the OECD	9 000	183.673
Total	9 000	183.673

4.6. Performance monitoring

The SIGMA team should perform effective and regular programme monitoring in order to assess interim progress at a programme level, identify areas of failure and their reasons, and any immediate action to be taken to improve programme performance further. Apart from that, SIGMA operations will be covered by the Commission through the ENI monitoring exercise.

4.7. Evaluation and audit

Following a 5 years implementation of SIGMA in the ENI countries an evaluation has been conducted in 2013 and the final report submitted, approved and disseminated in December 2013.

With an aim to improve the quality, effectiveness and consistency of the assistance from EU funds, the programme shall be subject to evaluations (interim and/or ex-post) which shall be the responsibility of the Commission. The results of the evaluation shall be taken into account in the programming and implementation cycle.

4.8. Communication and visibility

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

This action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility Plan of the Action, to be elaborated before the start of implementation and supported with the budget indicated in section 4.5 above.

The measures shall be implemented either (a) by the Commission, and/or (b) by the partner country, contractors, grant beneficiaries and entrusted entities. Appropriate contractual obligations shall be included in, respectively, financing agreements, procurement and grant contracts, and delegation agreements.

The Communication and Visibility Manual for European Union External Action shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

OECD will seek to give maximum visibility to SIGMA and its operations and the Commission's financing of this, notably through the SIGMA website.

SIGMA will ensure that Development and Cooperation DG - EuropeAid's services are kept informed of all developments. Information on all movements in beneficiary countries (staff, consultants, country counterparts) will be systematically communicated to EU Delegations and country task managers, in advance.

SIGMA will provide regularly, or upon request, relevant information on its activities (e.g. mission reports, index lists, etc.) to assist in ensuring the appropriate visibility and co-ordination of the Action.

ANNEX 3

of the Commission Implementing Decision on the European Neighbourhood wide
Action Programme 2014

Action Document to contribute to the Neighbourhood Investment Facility (NIF)

1. IDENTIFICATION

Title/Number	Contribution from the 2014 general budget of the European Union to the Neighbourhood Investment Facility (NIF) CRIS number: ENI/2014/037-510 and ENI/2014/037-515		
Total cost	Total amount of EU budget contribution: EUR 361 700 000 of which EUR 255 300 000 for budget line 21.03.01.02 (South), EUR 96 400 000 for budget line 21.03.02.02 (East) and EUR 10 000 000 for budget line 21.03.03.03 (multi-country) ¹ . This action is co-financed by entities and for amounts specified in the indicative project pipeline which is an appendix of this Action Document.		
Aid method / Management mode and type of financing	Project Approach The action regarding this Regional Blending Facility shall be implemented in indirect management.		
DAC-code	– 41010 – 23010 – 21010 – 32130 – 16050	Sector	– Environmental policy and administrative management; – Energy policy and administrative management; – Transport policy and administrative management; – SME development; – Multi-sector aid for basic social services

2. RATIONALE AND CONTEXT

2.1. Summary of the action and its objectives

The Neighbourhood Investment Facility (NIF) is a blending facility which combines EU grants with other public and private sector resources such as loans and equity in order to leverage additional non-grant financing.

¹ This amount is part of the 2014 umbrella allocation for Morocco (out of a total of EUR 20 million).

The NIF will support projects prepared by the eligible European Financial Institutions in the Neighbourhood in line with three strategic orientations:

- 1) establishing better sustainable energy and transport interconnections (between the EU and neighbouring countries, and between the neighbouring countries themselves, or improving energy efficiency or the use of renewable energy sources);
- 2) addressing threats to the environment, including climate change;
- 3) promoting smart, sustainable and inclusive growth through support to small and medium sized enterprises, to agriculture and rural development, to the social sector, including human capital development, and to municipal infrastructure development.

The NIF will prioritise projects that significantly contribute to achieving EU policy objectives in the region, as described inter alia in EU Council Conclusions, EU Agreements, ENP Action Plans the follow-up of Task Force meetings organised by EU Special Representatives, 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 by Eastern Partnership platforms and panels, the Eastern Partnership transport network and the Energy Community. In the South sub-region sectoral cooperation initiatives and projects supported by the Union for the Mediterranean will also be taken into account. Considering the EU commitment to dedicate 20% of its budget to climate related issues, an appropriate contribution to this objective under this programme needs to be promoted.

The Facility is designed to combine EU grants 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, the Facility will encourage the beneficiary 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 NIF financing are conditioned to the additionality of NIF contribution: the NIF does not support any operation which could normally be financed by the market.

2.2. Context

In accordance with the Regulation (EU) No 236/2014 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 renewed Neighbourhood Policy launched in 2011, the European Neighbourhood Instrument (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 EU internal market; Regional integration; including Cross-Border Cooperation programmes.

In order to achieve the objectives of the ENP, reduce the social, economic and political barriers between the EU and its neighbours and to extend EU policy initiatives to Neighbour countries, bilateral and regional financial assistance foreseen under the ENI will promote essential reforms, capacity building and modernisation measures in the partner countries. Parallel to 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 and transport of energy; for effective environmental protection, in particular to ensure the quality of water, air and soil, 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 Small and Medium sized Enterprises (SMEs).

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 return and/or immediate economic and political impact are favoured over investments of collective interest yielding economic returns on a much longer term horizon.

Changes to the EU's relationship with its neighbours and developments since the establishment of the ENP have been analysed and assessed as part of the ENP Strategic Review. As a result, a new ENP vision has been developed as outlined in the Joint Communication of the High Representative of the EU for Foreign Affairs and Security Policy and the European Commission 'A new response to a changing Neighbourhood' adopted on 25 May 2011 and the Council conclusions adopted on 20 June 2011. The new approach calls notably for greater support to partners committed to building democratic societies and undertaking reforms, in line with the incentive based approach and 'mutual accountability' principles, and provides the strategic policy framework for the EU relations with the neighbours.

Based on this context, the European Commission, in this Decision, renews the NIF through the ENI, in support to the implementation of the ENP Action Plans.

2.2.1. Sector context: policies and challenges

The ENP is a strategic priority of the European Union (EU) and aims at establishing a wider area of prosperity, stability and security involving the EU and its neighbours. The ENP is based on a bilateral and differentiated relation between the EU and each neighbouring country. Bilateral Action Plans are the key ENP operational tools. The Action Plans cover a wide range of reform objectives of interest to the EU and the partner country and at the same time identify a number of clear priorities. The EU supports the implementation of these Action Plans through the provision of technical expertise and financial support.

The ENP is chiefly a bilateral policy between the EU 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), and the Black Sea Synergy (launched in Kiev in February 2008).

Launched in 2009, the Eastern Partnership is a joint initiative between the EU, EU countries and the eastern European partner countries. It enables partner countries interested in moving towards the EU 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 Union for the Mediterranean (UfM) is also providing impetus to the co-operation with partner countries of the Southern Mediterranean and further involves EU'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 EU initiatives notably the de-pollution of the Mediterranean, the creation of maritime and land highways, a joint civil protection programme, the establishment of a Mediterranean Solar plan, the establishment of an Euro-Mediterranean University and initiatives to support the development of SMEs and job creation.

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 include energy security, transport, research and innovation, as well as support to health and education, culture and youth.

In that context, the Commission has decided to set up a specific umbrella programme both for the Eastern and Southern neighbours that will allocate extra financial support only to those neighbours taking clear and concrete steps on political reforms. In addition, a new Civil Society Facility was created in September 2011 to strengthen the capacity of civil society to promote and monitor reforms, and increase public accountability.

The overall policy context may be enriched by further initiatives, currently under development, of which the scope may be relevant for future NIF operations.

Taking into consideration the above EU 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 IMF, so particular attention should be taken when approving the specific proposals, to help preserve long term debt sustainability.

2.3. Lessons learnt

Allocations to the NIF from the EU Budget have reached by the end of 2013 a sum of EUR 789 million. Additionally, Member States have contributed to the NIF Trust Fund with a total of EUR 80 million.

Since its commencement in 2008, the NIF has provided support to 82 projects, drawing on a total of EUR 753 million from the EU budget and the NIF Trust Fund. The NIF contribution has succeeded in mobilising over EUR 9.6 billion of financing from European Finance Institutions since 2008, i.e. EUR 12.78 for every euro provided by the Facility.

The Mid-Term Evaluation (MTE) of the NIF under the European Neighbourhood and Partnership Instrument (ENPI) 2007-2013 was finalised in May 2013.

The purpose of the evaluation was to assess the progress of the programme against its original objectives and to produce recommendations to improve its effectiveness. The evaluation focussed on the analysis of the mechanism and its procedures since its inception until the end of 2011.

The conclusions of the evaluation are presented here below.

Relevance to the objectives

The MTE states that NIF has proven to be an effective instrument within the ENP and highlights that the NIF achieved its goal of leveraging significant financial resources through grants. The executive summary notes “a steady increase in number of projects and volumes of allocations” and “effective coordination amongst Finance Institutions”.

The MTE report confirms that NIF projects are overall relevant to the NIF strategic objectives. It recommends, however, that more attention should be paid to its regional interconnectivity aspects as well as to its cross-cutting objectives, including policy dialogue.

NIF operations

The evaluation notes a relatively balanced geographical and sectoral distribution of projects. It recommends, at the same time, establishing a system which could allow for prioritisation of projects according to their relevance and expected impact.

In terms of project design, sound processes and good standards implemented by Financial Institutions were observed. The evaluators noted that social, environmental and climate change concerns were adequately addressed in the appraisal process. The recommendation in this regard points to enhancing co-ordination with the EU Delegations, which although steadily improving over the last two years, could be further improved. The same recommendation applies for the process of consulting civil society organisations and beneficiaries.

The three-tiered governance structure of the instruments has been deemed to be effective although the evaluators identified that some of its aspects need strengthening, for example the resource allocation mechanisms, the monitoring and evaluation functions and the transparency of the decision-making process.

One of the positive aspects underlined by the evaluators with regard to the NIF is that it has significantly contributed to the development of partnerships and increased co-ordination and enhanced cooperation between the Financial Institutions and the

Commission as well as amongst the Financial Institutions themselves. The evaluators recommend further developing the co-ordination mechanisms at national and regional levels.

Finally, the evaluation recommends introducing a results-based monitoring system applied to all NIF projects as well as strengthening the communication and visibility aspects.

The findings of the MTE have been used, with other reports, by the Platform for Blending in External Cooperation (EUBEC). The EUBEC was set up in December 2012. Its objective is to further increase the effectiveness of aid delivered by the European Union through blending by providing recommendations and guidance. The EUBEC is taking a wide ranging look at many aspects of the EU's blending activities and the proposed structure and operation of the NIF in the context of the ENI blending framework reflects the recommendations of EUBEC.

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

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

2.4. Complementary actions

The NIF is complementary to regional programmes and initiatives for Eastern Neighbourhood for example: In the Neighbourhood East, cooperation with regional programmes for Eastern Neighbourhood aiming at enabling a more positive investment climate, such as INOGATE (the EU's regional energy cooperation program), including support to energy diversification (e.g. Southern Corridor) and security of supply, TRACECA (the EU's regional transport cooperation program), the SME Flagship Initiative and municipal development initiatives such as the Covenant of Mayors.

In the Neighbourhood South, NIF operations can be complementary to other national and regional initiatives, for example: in the field of energy, the NIF support 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. NIF can also support transport projects which are on the Trans-Mediterranean Transport Network (TMN-T), as endorsed at the 2013 UfM Mediterranean Ministerial Conference in Brussels. NIF can contribute to projects in line with the Horizon 2020 initiative to de-pollute 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 NIF 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).

2.5. Donor coordination

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

The NIF governing bodies are providing a very suitable arena for coordination amongst EFIs and amongst Member States. These platforms allow regular discussions on pipelines, priority projects and synergies between projects.

3. DETAILED DESCRIPTION

3.1. Objectives

The NIF's main purpose is to promote 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 Facility will support the growth of micro and SMEs by making available a range of financial instruments in particular through risk-sharing capital mechanisms.

The leverage effect of the NIF contributions is expected to generate at least a multiplying factor of 4 to 5 times the amount of the NIF contributions. The input of the financial institutions will increase the leverage effect on policy dialogue and additional resources to be directed towards the neighbourhood beneficiary countries.

Operations financed by financial institutions pooling their loan resources in combination with NIF 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 2014 Union contribution to the Facility. NIF annual contributions are programmed at Neighbourhood-wide level; they are complemented by specific funds from Neighbourhood regional programmes and/or bilateral programmes, as well as by direct additional contributions from Member States, which are kept in the NIF trust fund managed by the European Investment Bank (EIB). Concerning the former, they are as follows:

a) In the South:

- An allocation of EUR 48 million from the Morocco bilateral envelope (Single Support Framework) to the NIF will be implemented to contribute to investments in the sustainable energy and vocational training sectors;

- An allocation of EUR 85 million from the Egypt bilateral envelope (Single Support Framework) to the NIF to support projects in the sustainable energy and wastewater and sanitation sectors, including climate change considerations therein;
- An allocation of EUR 25 million from the South Neighbourhood regional cooperation envelope (Multiannual Indicative Programme) to the NIF to support the financing and development of SMEs and microfinance in the Southern Mediterranean in the broader context of sustainable development (Support to Risk Capital Investment in Southern Mediterranean).

b) In the East:

- An allocation of EUR 27.70 million from the East Neighbourhood regional cooperation envelope to the NIF to contribute to finance priority projects in the Eastern Partnership, such as SME support programmes related to the DCFTA and the E5P (Eastern Europe Energy Efficiency and Environment Partnership);
- An allocation of EUR 15 million from the Armenia bilateral envelope (Single Support Framework) to the NIF to support private sector and SMEs development.

The indicative pipeline of project proposals for the East and the South is attached as appendix to the Action Document.

3.2. Expected results and main activities

The expected results of the NIF are increased investment in the following sectors contributing to:

- (1) Better and more sustainable transport infrastructure, notably:
 - better (faster, cheaper, more sustainable and safer) transport infrastructure within beneficiary countries and between them;
 - better interconnection between the EU and the Neighbours through the extension of the Trans-European Network to the East and South;
 - faster and cheaper movement of people and goods between the EU and its neighbours, and between neighbours and the Member States particularly on the sub-regional level, while respecting EU environmental standards.
- (2) Better and more sustainable energy infrastructure, notably:
 - the improvement of transit connections between EU and Neighbour countries as well as between partner countries, thus increasing security of energy supply for the EU and for the Neighbours;
 - the improvement of safety and security of energy infrastructure and respect of EU environmental standards;
 - the improvement of energy efficiency and energy savings;
 - the increase of production and use of renewable energy (wind, solar energy).
- (3) Increased protection of the environment and enhanced resilience to climate changes impacts, notably:
 - the promotion of sustainable integrated waste management (household, municipal and industrial) 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 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 standards and technical trade regulations;
 - support to SMEs to facilitate its trade with the EU and other regions;
 - support DCFTA relate 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 to be financed under the NIF are the following:

- Direct investment Grants
- Interest rate subsidies
- Guarantees
- Technical assistance;
- Risk capital operations;
- Any other risk sharing mechanisms.

As regards risk capital operations, guarantees or any other risk sharing mechanisms, the risk-sharing involves the utilisation of financial resources by the Commission (from the EU contribution) and the entrusted entity and the sharing of losses and gains primarily from underlying debt assets, while in some cases from equity assets as well, in the implementation of a financial instrument operation under external instruments.

An example of such risk-sharing operation is the Risk Sharing Finance Facility (RSFF) with the EIB financed through the NIF, for which the contribution agreement was signed in 2013.

The risk-sharing shall contribute to the achievement of the objectives of the corresponding financial instrument for which it is used.

The risk-sharing shall typically consist of a bilateral agreement between the Commission and the entrusted entity concerning the losses and gains, on a portfolio or deal by deal basis, of specific underlying assets. The risk-sharing may consist of a multilateral agreement between the Commission, the entrusted entity and other entities. The risk-sharing shall not cover any entities or activities that fall under the applicable exclusion criteria to be defined by the Commission.

3.3. Risks and assumptions

The main assumptions are:

- 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.
- South and East Partner countries are ready to increase the level of investments on their own resources as well as through loans.
- The pipelines of operations is of sufficient quality and volume and provide sufficient additionality.
- Partner countries and other local beneficiaries are supportive to the projects prepared by the eligible European Financial Institution.

The main risk is:

- External debt sustainability as some countries in the Neighbourhood are already close to the debt limit set by the IMF.

3.4. Cross-cutting issues

Partner countries and eligible financial institutions will ensure that all projects financed with EU budget respect Union principles in terms of environmental and social impact, public procurement, state aid, and equal opportunities and will also respect the principles of sound financial management with effective and proportionate anti-fraud measures.

3.5. Stakeholders

The final beneficiaries of the Facility will be the Partner countries, either directly or indirectly through their central, regional and local administrations or semi-public institutions.

Other final beneficiaries will be the private sector and in particular SMEs for categories of operations dedicated to the private sector development.

Partner countries listed in Annex I of Regulation (EU) No 232/2014 will be eligible for NIF financing following the signature of an ENP Action Plan. This does not apply to countries that do not qualify for ENI support because of their level of development. Other countries may be eligible for NIF funding, under certain conditions, to be decided on a case-by-case basis (e.g. regional interest).

Multilateral and national European development finance institutions will be direct partners and important stakeholders of the Facility.

4. IMPLEMENTATION ISSUES

4.1. Financing agreement

In order to implement this action, it may be foreseen to conclude financing agreements with the partner countries, referred to in Article 184(2)(b) of Regulation (EU, Euratom) No 966/2012.

4.2. Indicative operational implementation period

The indicative operational implementation period of this action, during which the activities described in sections 3.2. and 4.3. will be carried out, is 120 months from the date of entry into force of the financing agreement or, when none is concluded, from the adoption of this Action Document, subject to modifications to be agreed by the responsible authorising officer in the relevant agreements. The European Parliament and the relevant Committee shall be informed of the extension of the operational implementation period within one month of that extension being granted.

4.3. Implementation components and modules

4.3.1. ENI Blending Framework

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

The operational decision-making process will be organised in a two level structure:

- opinions on projects will be formulated by the Boards, held whenever possible back to back with the respective financing instruments' committees (ENI Board);
- such opinions will be prepared in dedicated Technical Meetings

Strategic orientations will be discussed with beneficiary countries in dedicated strategic meetings, under the ownership principle of our development cooperation. The Commission and the EEAS will conduct and co-chair strategic discussions at highest level with Member States, beneficiary countries and relevant regional organisations. Financial Institutions will participate in the discussions as observers. These strategic discussions will cover regional investment plans and priorities, provide strategic and policy guidance and advice for identification and preparation of the most relevant proposals for blending and for the Board to review the pipeline and

formulate an opinion on the most relevant projects for achieving EU Neighbourhood objectives.

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

Rules of procedure will further detail the decision making process as well as the organisation of the strategic meetings, which will be approved in the first meeting of the Board. The NIF Trust Fund agreement will reflect the general governance arrangements agreed under the ENI blending framework and include the specificities of the NIF Trust Fund.

The Board is chaired by the Commission and includes the EEAS and the EU Member states as voting members, and FIs as observers. The opinion of the Board can be positive, negative or recommend re-submission of the project proposals. FI 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 Board. The part of the meeting where opinions on EU contribution requests are expressed will be restricted only to voting Members. The conclusions including their justifications will be subsequently communicated to the financial institutions in writing.

The Board will also be responsible for:

- providing guidance to participating institutions on appropriate future financing proposals (based on strategic priorities defined in the context of the programming process and further discussed in the strategic boards - see hereunder), monitor and review the pipeline of projects, based on the results of the discussions at the technical level
- examining project related results (including the annual reports) 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 Board would meet two to four times a year, depending on the needs and back to back with the respective financing instruments' committees. When duly justified by time constraints, opinions on projects could be requested by written procedure.

Opinions on EU contribution requests will be taken by consensus, but if needed the regular voting rules of the ENI Committee should apply. The conclusions of the board must be incorporated in relevant Commission decisions for the EU budget and for the EDF as mandated by the relevant FRs and their Implementing Rules/Rules of Application.

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

- review and discuss the pipeline to ensure coordination at an early stage, including in relation to geographical balance and agreed EU political objectives. Results of the pipeline discussion shall be transmitted to the Boards.
- assess project proposals submitted by a so called Lead Financial Institution based on the appropriate application form. The proposal will also be shared with other Financial Institutions for peer review and possible written comments. In particular, such assessment will include alignment to EU policy objectives, the justification of the added value of the 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 from the FI's, the Commission and the EEAS. If appropriate such meetings may include or be complemented by virtual meetings and/or written exchanges facilitated by the Secretariat. The Lead Financial 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 ENI blending framework, supporting the Board in all its tasks (opinions on individual blending operations, internal Commission/EEAS consultation including DG BUDG, DG SJ, DG ECFIN and DG SG, monitoring at facility level, consolidation of the pipeline on the basis of the information provided by the Financial Institutions including a short project description, 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 organization of communication events and the general implementation of the communication strategy (websites and other communication tools), thereby contributing to the visibility of the EU. The Secretariat also organises the technical level assessment of proposals and is the central contact point for all stakeholders involved in the blending frameworks.

4.3.2. *Contribution to the Neighbourhood Investment Facility*

In accordance with Article 4.1.(e) of the 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 financial institution such as the EBRD, or a bilateral European financial institution, e.g. bilateral development banks. These Lead Financial Institutions are not definitively known at the adoption of this Action but are indicatively listed in the appendix of this document. Once they will be known, a complementary financing decision needs to be adopted in order to fulfil all the requirements of Article 84.3 of Regulation (EU, Euratom) No 966/2012.

The Lead Financial Institution will be awarded a contract for an individual operation based on its operational and financial capacity.

The Commission will only entrust budget implementation tasks to Lead Financial Institutions which have been assessed through the pillar assessment pursuant to article 60 of Regulation (EU, Euratom) No 966/2012 and have transparent, non-discriminatory, efficient and effective review procedures in place.,

Some of the possible entrusted entities are International Organisations (EBRD, Council of Europe Development Bank (CEB), Nordic Investment Bank (NIB)) that are currently undergoing the ex-ante assessment in accordance with Article 61(1) of Regulation (EU, Euratom) No 966/2012. Other possible entrusted entities are public bodies or bodies governed by private law with a public service mission (AFD, KfW, the Spanish Agency for International Development Cooperation (AECID) and the Italian Società Italiana per le Imprese all'Estero (SIMEST)) will undergo the ex ante assessment in accordance with Article 61(1) of Regulation (EU, Euratom) No 966/2012 related to financial instruments. In both cases and in anticipation of the results of such assessments the responsible authorising officer deems that, based on a preliminary evaluation and on the longstanding and problem free cooperation with these entities, they can be trusted with budget implementation tasks under indirect management.

The entrusted budget-implementation tasks consist of the implementation of procurement, grants and payments. The entrusted Member State agency or international organisation shall also monitor and evaluate the project and report on it.

In addition, budget-implementation tasks may be sub-delegated by the entrusted entity to the partner country in accordance with 4(7) of Regulation (EU) No 236/2014. The entrusted budget-implementation tasks consist in the implementation of procurement and grants following the rules assessed and approved by the Lead Financial Institution. Payments may be executed by the partner country under the control by the Lead Financial Institution or by the latter.

4.4. 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 shall apply.

The responsible authorising officer may extend the geographical eligibility in accordance with Article 9(3) 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.

4.5. Indicative budget

Module	Amount in EUR thousands	Third party contribution in EUR thousands (indicative, where known)
Contribution to the Neighbourhood Investment Facility	361 700	

Totals	361 700	
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4.6. Reporting and Performance monitoring

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 NIF including the details laid down in Article 140 of Regulation (EU, Euratom) No 966/2012. 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.

As per the recommendation of the evaluation, the Commission will monitor the performance of the projects benefiting from a NIF grant based on the results indicators listed here below. This performance monitoring will be carried out in indicators for each operation, based on sector-specific indicators, including:

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 public transport lanes;
- Public 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

- 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 and
- Wastewater treatment capacity

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;
- Variation in CO2 emissions;
- Additional capacity from renewable energy sources and
- 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;
 - New and/or refurbished health facilities;
 - New and/or refurbished educational facility;
 - Students/researchers benefitting from new/refurbished educational facility
- e) Trade and Private Sector Development
- For direct operations: access to finance: number of units served among relevant target group;
 - For indirect operations: access to finance: number of units served among relevant target group;
 - 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: access to liquidity/capital: volume of new loans made available to financial intermediaries (e.g. banks, microfinance institutions, funds);
 - For direct operations: number of 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 created or sustained (resulting from the project)
- f) Cross sector indicators
- Total number of beneficiaries;
 - Applications co-financed and/or subject to current best practices and methodologies by Financial Institutions;
 - Number of beneficiaries living below the poverty line (whose living conditions are improved by the project);
 - Women participation into financed activities;
 - Variation CO₂/Greenhouse gases;
 - Private sector participation into financed activities;
 - Jobs sustained / created.

4.7. Evaluation and audit

At the level of the individual operations, monitoring, evaluation and audit tasks will be carried out under the responsibility of the Lead Financial Institution and will be organised according to the requirements of each project. In addition, the Commission reserves the right to undertake external audits in accordance with international standards, and in that case it shall be financed by other financial sources.

Operations can be the subject of financial control by the Commission (including by OLAF) as well as by the European Court of Auditors.

4.8. Communication and visibility

The European Commission and its implementing partners will abide by the visibility rules for European Union financing as per relevant provisions in the respective project agreements and contracts. For each individual project, a communication plan will be prepared by the lead EFI, allowing the involvement of the EU Delegations at key stages of the projects having visibility potential. The European Commission will publish an annual activity report providing an overview of the financed projects.

ANNEX 3 - Appendix 1a: NIF South Indicative Pipeline 2014

Sub-region	Country	Lead Finance Institution	Operation's Title	Sector	Estimated Total Investment cost (M€)	NIF estimated Request (M€)
South	Egypt	AFD	200 MW wind Farm Gulf of Suez	Energy	340	30
South	Egypt	AFD	Transport Alexandria	Transport	tbc	10
South	Egypt	AFD	Urban development Alexandria	Multisector	tbc	0
South	Egypt	KfW	Joint Integrated Sector Approach (JISA) in the irrigationsector / Integrated Water Resources Management IWRM / National Irrigation Improvement Program	Water & Sanitation	480	40
South	Egypt	AFD	Centrale PV de 20 MW	Energy	100	10
South	Egypt	AFD	Cairo Metro Line 3 Phase 4	Transport	1000	40
South	Egypt	EIB	EPAP III/Pollution Abatement	Environment	158	10
South	Egypt	KfW	Windpark Gulf of Suez	Energy	340	17
South	Egypt	EIB	H2020 Kafr El Sheikh Wastewater Expansion Project	Water & Sanitation	164	17
South	Egypt	AFD	Egypt Household Natural Gas Connection Project	Energy	800	68
South	Jordan	EIB	NEPCO Green Corridor	Energy	100	10
South	Jordan	EIB	Jordan Highway Master Plan (Phase 1): Road R15	Transport	120	12

Sub-region	Country	Lead Finance Institution	Operation's Title	Sector	Estimated Total Investment cost (M€)	NIF estimated Request (M€)
South	Jordan	EIB	Wadi Arab	Water & Sanitation	50	5
South	Jordan	EBRD	Yarmouk Water Supply Project	Water & Sanitation	100	10
South	Jordan	EIB	Miyahuna program of rehabilitation of water network	Water & Sanitation	110	12
South	Lebanon	EIB	H2020 Al Ghadir	Water & Sanitation	110	tbc
South	Morocco	AFD	Programme national d'assainissement phase 2	Environment	80	tbc
South	Morocco	AFD	Création des instituts de formation aux métiers des énergies renouvelables et de l'efficacité énergétique	Social	26	10
South	Morocco	AFD	Appui au système éducatif marocain 2	Social	tbc	tbc
South	Morocco	KfW	Projet ATLAS - développement de 8 centrales solaires photovoltaïques	Energy	300	20
South	Morocco	KfW	Gestion Intégrée des Ressources en Eau (GIRE/IWRM)	Water & Sanitation	tbc	tbc
South	Morocco	KfW	Centrale de dessalement de Guelmin/Tan-tan	Environment	tbc	tbc
South	Morocco	KfW	Projet ATLAS - développement de 8 centrales solaires photovoltaïques	Energy	300	15
South	Morocco	EIB	Technopôles	Private sector	288	9

Sub-region	Country	Lead Finance Institution	Operation's Title	Sector	Estimated Total Investment cost (M€)	NIF estimated Request (M€)
South	Morocco	EIB	Centrale électrique thermo-solaire de Ouarzazate III [CSP tower]	Energy	800	50
South	Morocco	EIB	3ème ligne d'interconnexion électrique Maroc / Espagne	Energy	tbd	tbd
South	Palestine	EIB	Palestinian Deposit Insurance Corporation	Private sector (<i>Risk sharing mechanism</i>)	150	10
South	Regional	EBRD	SEMED Sustainable Energy Finance Facility Phase II	Private sector	141	18.5
South	Regional	EIB	Support to Risk Capital investment operations including microfinance in southern Mediterranean - FEMIP	Private sector (<i>Risk sharing mechanism</i>)	600	100
South	Regional	EBRD	Implementation of EBRD Small Business Support programmes – Enterprise Growth Programme (EGP) and Business Advisory Services (BAS) – in the Southern and Eastern Mediterranean countries - Egypt, Morocco, Tunisia, Jordan (Phase II)	Private sector	tbd	tbd

Sub-region	Country	Lead Finance Institution	Operation's Title	Sector	Estimated Total Investment cost (M€)	NIF estimated Request (M€)
South	Tunisia	AFD	H2020 Assainissement des zones côtières (collecte et épuration)	Water & Sanitation	110	8
South	Tunisia	KfW	Centrale électrique thermo-solaire/Akarit	Energy	260	15
South	Tunisia	EIB	H2020 Mise en terril du phosphogypse à Gabès	Environment	200	20
South	Tunisia	KfW	Energy Efficiency in the Waste Water Sector	Water & Sanitation	tbc	tbc
South	Tunisia	KfW	Centrale Photovoltaïque (PV) Tozeur 10 MW	Energy	18.8	1.5
South	Tunisia	AFD	SUNREF (Sustainable Use of Natural Ressources and Energy Facility)	Energy	50	5
South	Tunisia	AFD	Programme d'appui à la formation professionnelle et à l'insertion	Social	tbc	tbc
South	Tunisia	AFD	Programme d'investissements des communes	Multisector	tbc	tbc

Note: The preparation of the projects in the transport sector need to be linked to the works of the “EC-EIB Southern Neighbourhood Advisory Program for the Transport Sector (SNAP-T)”

ANNEX 3 – Appendix 1b: NIF East Indicative Pipeline 2014

Sub-region	Country	Lead Finance Institution	Operation's Title	Sector	Estimated Total Investment cost (M€)	NIF estimated Request (M€)
East	Armenia	EBRD	Yerevan Solid Waste	Water & Sanitation	25.8	8
East	Armenia	AFD	Rural Irrigation Efficiency	Water & Sanitation	35	5
East	Armenia	EIB	International Roads Network	Transport	73.3	12
East	Armenia	KfW	Caucasus Transmission Network (formerly 400 kV Transmissionline ARM-GEO)	Energy	115	10
East	Armenia	EBRD	Power Transmission Rehalitation Project	Energy	60	6
East	Armenia	EBRD	Equity Finance	Private sector (<i>Risk sharing mechanism</i>)	13	15
East	Azerbaijan	KfW	Railway Rehabilitation	Transport	1400	10
East	Azerbaijan	KfW	Water Supply and Sewage Programme, Operational Assisatnce	Water & Sanitation	363	6
East	Georgia	AFD	Intercity bus transportation	Transport	18.5	3
East	Georgia	AFD	Access to rural credit	Private sector (<i>Risk sharing mechanism</i>)	15	3
East	Georgia	CEB	Municipal Infrastructure	Multisector	63	6
East	Moldova	EBRD	Moldova North PPP	Water & Sanitation	31.2	10
East	Moldova	EBRD	Moldova Residential Energy Efficiency Financing	Private sector	9.78	2

Sub-region	Country	Lead Finance Institution	Operation's Title	Sector	Estimated Total Investment cost (M€)	NIF estimated Request (M€)
			Facility (MoREEFF)			
East	Moldova	CEB	Construction of Chisinau Pre-trial penitentiary, including Hospital	Social	45	5
East	Regional	EBRD	Eastern Europe Energy Efficiency and Environment Partnership ("E5P") expansion to other eastern Partnership Countries	Energy	tbc	30
East	Regional	EIB	Municipal Project Support Facility	Water & Sanitation	530	8
East	Regional	EBRD	Implementation of EBRD Small Business Support programmes – Enterprise Growth Programme (EGP) and Business Advisory Services (BAS) – in the Eastern Partnership countries (Phase II)	Private sector	10.422	8
East	Regional	EBRD	SME Facility 2nd phase	Private sector (<i>Risk sharing mechanism</i>)	165	15
East	Regional	EBRD	Support to improve local capital markets and increase local currency lending for	Private sector (<i>Risk sharing mechanism</i>)	82	11

Sub-region	Country	Lead Finance Institution	Operation's Title	Sector	Estimated Total Investment cost (M€)	NIF estimated Request (M€)
			SMEs			
East	Regional	EBRD	SME Export Development Programme	Private sector	52	2
East	Regional	EIB	EU Neighbourhood Advisory Programme in the Transport Sector - Eastern Neighbourhood	Transport	tbd	5
East	Ukraine	KfW	Kakhovska Hydropower Plant	Energy	390	17
East	Ukraine	KfW	Municipal Infrastructure Programme in Chernivsti and Donesk	Water & Sanitation	56.0	3
East	Ukraine	EIB	Energy Efficiency measures in higher education facilities	Energy	144	3
East	Ukraine	EIB	Railway infrastructure preparation and implementation support	Transport	850	4
East	Ukraine	EIB	Modernization and safety improvements on Ukrainian road network	Transport	500	3

Note : The preparation of projects for the transport sector need to coordinated with the works and priorities established by the “EaP Transport Panel”