



Enhancing infrastructure and interconnectivity investments

EU Support via the
Neighbourhood Investment Facility

Brussels, 18 June 2015

The Neighbourhood Investment Facility

Blending

Using grants strategically to unlock additional public and private (IFIs) financing to meet development challenges

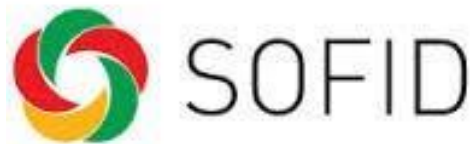


Sectors: Transport, Energy, Environment and Support to SMEs

Overview of NIF – what has been done so far

Year established	2008
Region	Neighbourhood
Total number of approved projects (number):	82
NIF resources committed 2008-13:	€ 753.4m
Resources leveraged from European Financial Institutions (x12 times):	€ 9 600m
Total project Costs (x27 times):	€ 20 800m

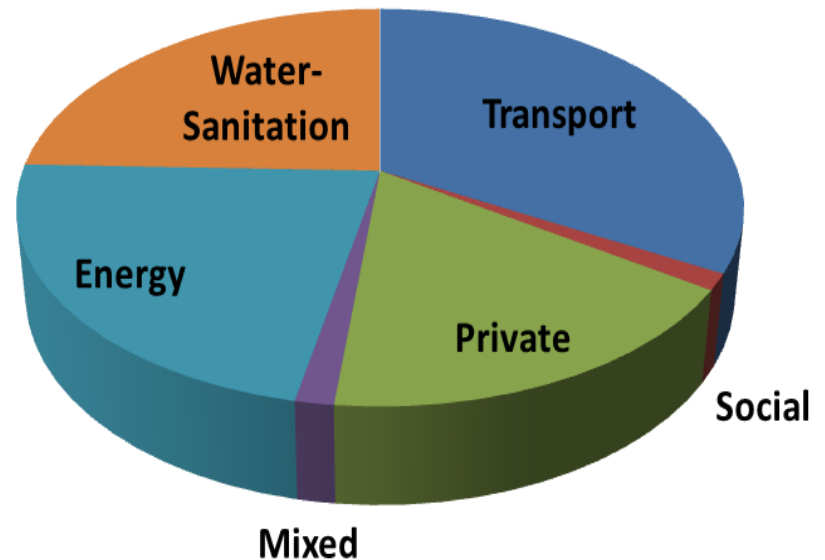
The NIF is implemented in partnership with



Overview of NIF East Neighbourhood 2008-2013

Sector Distribution of NIF funded Projects in the EaP (2008-2013)

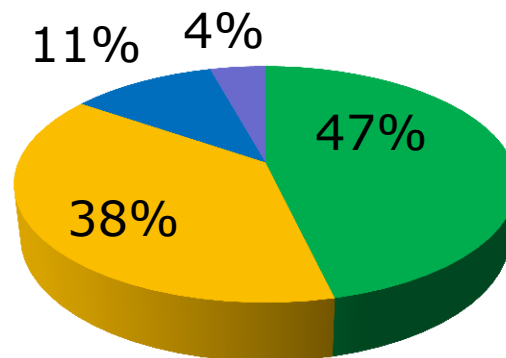
**NIF contribution to
Energy - €77,3 M**



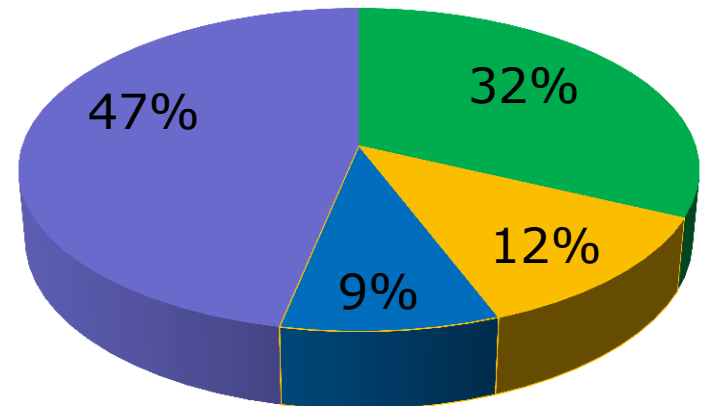
Energy projects 2008-2013

- Connectivity and networks
- Energy Facilities
- Hydropower
- Other

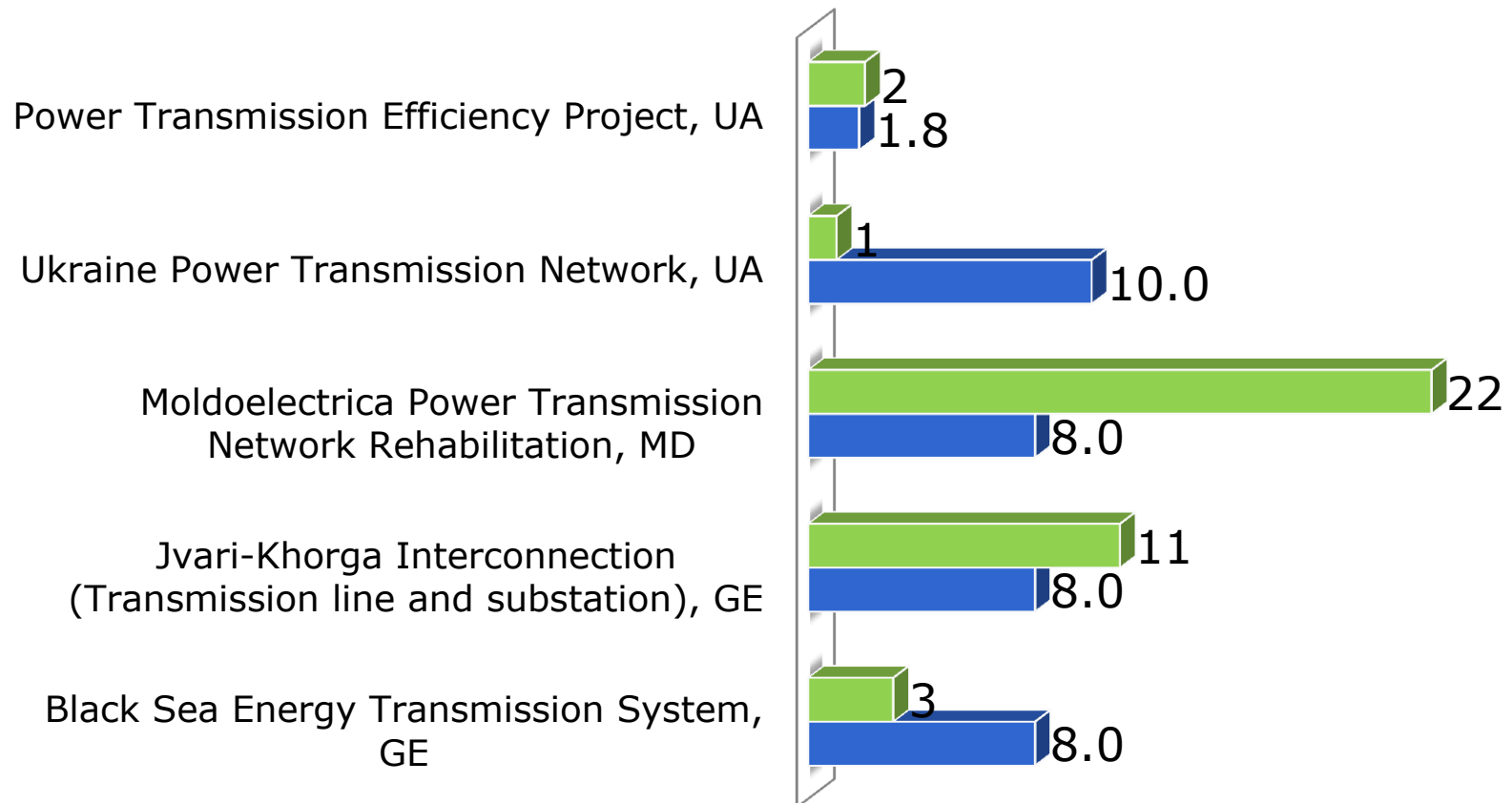
Grant



Loan



Energy connectivity projects 2008-2013



Example of the Black Sea Energy Transmission System

Construction of :

- 500 kV transmission line
- High-voltage direct current transmission system to Turkish network
- New substation



The Akhaltsikhe substation will connect Georgian network with Turkish network.

This linkage allows Georgia to connect to the Turkish transmission grid and export its green energy.

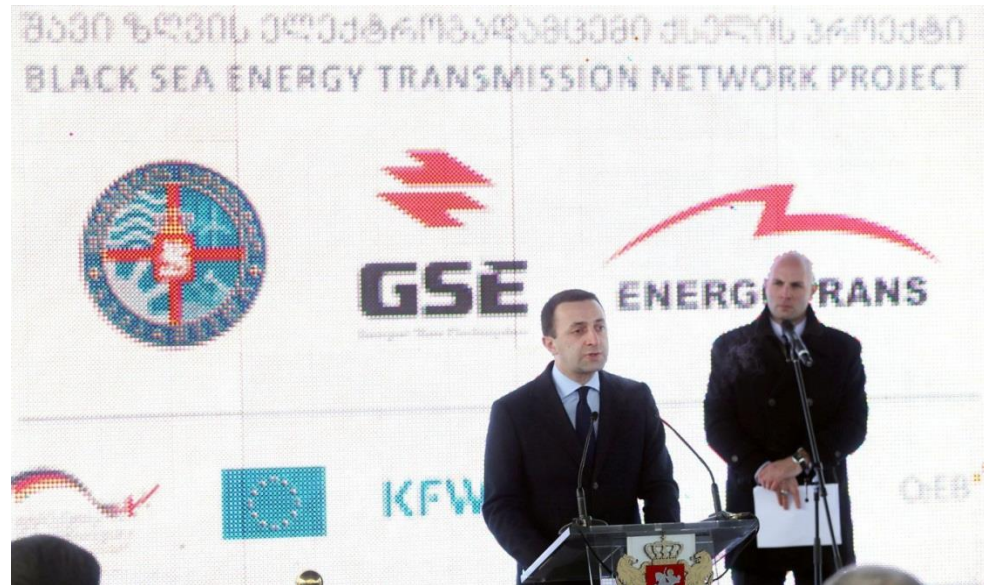
Example of the Black Sea Energy Transmission System

€8 M NIF grant leveraged:

- **€100 M loans** from KfW
- **€80 M loans** from the EBRD and EIB

NIF contribution was used for:

- Supervising consultant
- Realigning the OHL in an environmentally sound manner
- Environmental compensation



Georgian Prime Minister Irakli Garibashvili during the Akhaltsikhe Substation Opening Ceremony on the 11/12/2013

Priorities of NIF East Neighbourhood 2014-2020

What about energy ?

NIF Strategic Objectives

- *Better and more sustainable energy and transport interconnections (between the EU and neighbouring countries and between the neighbouring countries themselves), improving energy efficiency and demand management, promoting the use of renewable energy sources, strengthening energy security, and supporting investments related to the implementation of EU agreements, including DCFTAs*
- *Addressing climate change, as well as threats to the environment more broadly*
- *Promoting smart, sustainable and inclusive growth through support to small and medium sized enterprises, to the social sector, including human capital development, and to municipal infrastructure development*

Energy & Transport + Environment + Social and Economic Development

What can be financed by NIF in energy sector?

- *Infrastructure projects (like Transmission projects)*
- *Municipal Projects (i.e. SUDEP and E5P)*
- *Private sector development projects (i.e. Sustainable Energy Facilities)*

What are NIF priority Energy projects

- Contributing significantly to the **energy security** of the **EU and its Neighbourhood**, in accordance with the **European Energy Security Strategy**
- **Projects of common interest** identified in the framework of trans-European energy infrastructure and networks (TEN-E); Projects of Common Interest (PCI) and projects of **Energy Community Interest** (PECI) or identified as candidate PEGI
- Projects directly contributing to meeting the requirements and the objectives of the **Energy Community Treaty**
- Projects in line with and contributing to meeting partner countries' **national policies and targets**, in the area of **power generation from renewable energy sources; energy efficiency and energy savings** (projects included in National Energy Efficiency Action Plans and National Renewable Energy Action Plans)
- Regional, municipal and local development projects, in particular in municipalities signatories of the **Covenant of Mayors** contributing to meet their commitments

In the pipeline sofar...

- ❑ *Moldova Romania Power Interconnector, MD, 20M€, EBRD*
- ❑ *Kakhovska Hydropower Plant, UA, 17M€, KfW*
- ❑ *Power Transmission Network Program, GE, 5M€, KfW*
- ❑ *Power Transmission Efficiency Project, UA, 12M€, KfW*

For further information

http://ec.europa.eu/enlargement/neighbourhood/neighbourhood-wide/neighbourhood-investment-facility/index_en.htm

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