



EIB in the Mediterranean partner countries: supporting growth and jobs

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Activities in the Mediterranean



- ❖ The EIB operates in the MPCs through Facility for Euro-Mediterranean Investment and Partnership (FEMIP), which brings together EIB operations in the Mediterranean partner countries (MPCs).

- ❖ Core objective is to support the modernization and opening up of MPCs' economies through:
 - ✓ investment to support the private sector and create an investment-friendly environment;
 - ✓ dialogue between Euro-Mediterranean partners through an advisory governance structure (FEMIP Ministerial meetings, FEMIP Committee meetings, FEMIP Conferences).

- ❖ Created in 2002, FEMIP stems from the consensus between the European Commission, the EU MS and the EIB that the underdevelopment of the private sector in the Mediterranean is a fundamental obstacle to the region's long-term economic development.

Our priority sectors



- ❖ **Develop economic and social infrastructure**
 - ✓ support substantial investment needed across sectors

- ❖ **Promote MSMEs and local private sector development**
 - ✓ ensure availability of finance throughout the MSME lifecycle

- ❖ **A cross-sectoral approach on three key themes:**
 - ✓ Job creation;
 - ✓ Climate change mitigation and adaptation;
 - ✓ Regional integration.

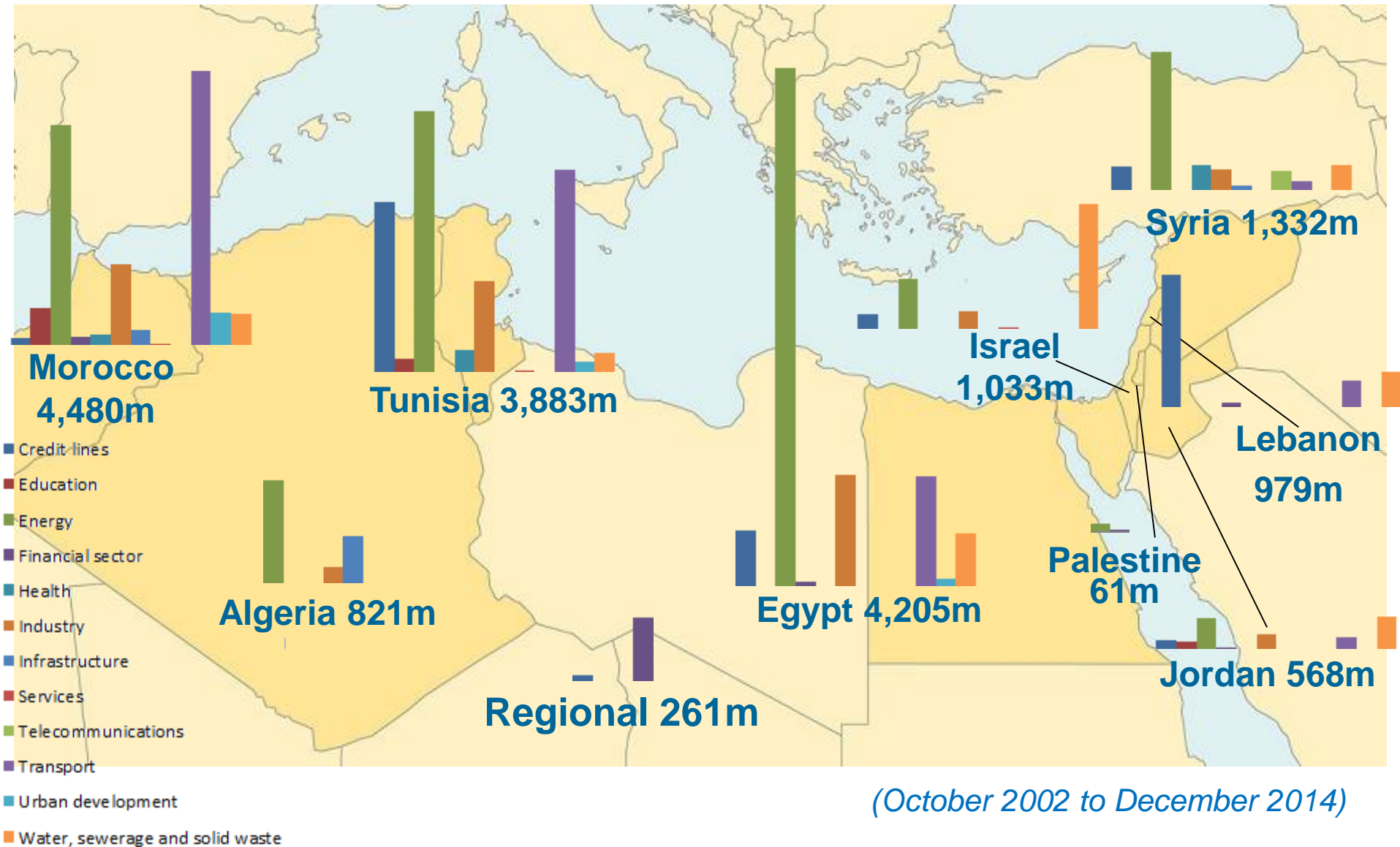


▸ **We help catalyse investment**

LENDING	BLENDING	ADVISING
<p>Loans But also:</p> <p>Guarantees Private equity Microfinance</p>	<p>Combining EIB finance with EU budget (NIF)</p> <p>Cooperation platforms (Deauville partnership)</p>	<p>Sector-focused initiatives:</p> <p>Transport : SNAP-T Energy: MSP-PPI Water: MEHSIP Urban: UPFI</p>

Attracting FUNDING for long-term growth

Signatures 2002-2014: Over EUR 17.6bn



(October 2002 to December 2014)



Signatures since the inception of FEMIP (EUR m, October 2002 – December 2014)

2002-2014	Energy	Transport	Credit lines	Industry	Water, sewerage and solid waste	Financial sector	Infrastructure	Education	Health	Urban development	Telecommunications	Services	Total
Algeria	500			81		10	230						821
Egypt	2 512	540	275	546	259	28				45			4 205
Israel	250		75	89	607							11	1 033
Jordan	153	63	50	81	166	15		40					568
Lebanon		135	642		175	27							979
Morocco	1 360	1 692	50	504	200	55	100	230	70	206		14	4 480
Palestine	45					16							61
Syria	675	50	120	105	125	2	25		130		100		1 332
Tunisia	1 266	986	827	446	101	7		70	110	56		14	3 883
Regional			30			231							261
Total	6 761	3 466	2 069	1 853	1 633	390	355	340	310	307	100	38	17 622



Ouarzazate Solar Power plant



Solar power plant in Morocco with an initial capacity of 125-160 MW to reduce dependence on energy imports and avoid the generation of at least **250 000 tons of CO²**.



Ouarzazate Solar Power plant

Part of the **Moroccan Solar Plan**. If fully developed (**2GW target capacity**), the largest solar power plant in North Africa.

Project promoter is the **Moroccan Agency for Solar Energy (MASEN)**.

Independent power producer (IPP) to implement the project was selected by MASEN through competitive bidding.

The **NIF direct investment grant** to bring down the cost of electricity during the initial stage of the project.

Total project volume: approximately **EUR 807 million**

Grant contribution: **EUR 30 million**

Cairo Metro Line 3 – Egypt (2012)



- Reinforce the public transport system with a target of **119kton CO2** saving per year
- Alleviating congestion and associated environmental problems, contributing to climate change mitigation
- Part of the Greater Cairo's Transport Master Plan and is expected to greatly.
- A EUR 200m loan from EIB plus EUR 40 M contribution from the Neighborhood Investment Facility.



Policy framework: implementing the FEMIP Roadmap 2020



As endorsed at 13th FEMIP Ministerial (Athens, April 2014)

Core strength "what we will continue to do"	Growing strength "what we will do more" <i>Objective</i>
THE PUBLIC SECTOR WILL REMAIN THE BACKBONE OF ACTIVITY IN THE FEMIP REGION...	
Continue to support economic and social infrastructure projects which will remain at the heart of EIB financing in the region	Develop an integrated approach including advisory for project preparation
... BUT PRIVATE SECTOR OPERATIONS MUST BE DEVELOPED FURTHER...	
Maintain support through lines of credit, equity investments and microfinance	Broaden the range of instruments Support to local corporates and FDI Guarantee schemes and risk sharing Risk capital and impact investment Innovation Local currency Advisory services to SMEs
...ALL IN PARTNERSHIP WITH OTHER INSTITUTIONS AND DONORS.	
Rely on blending with the Commission	Enhance the FEMIP Trust Fund



Available resources (2014-2020)

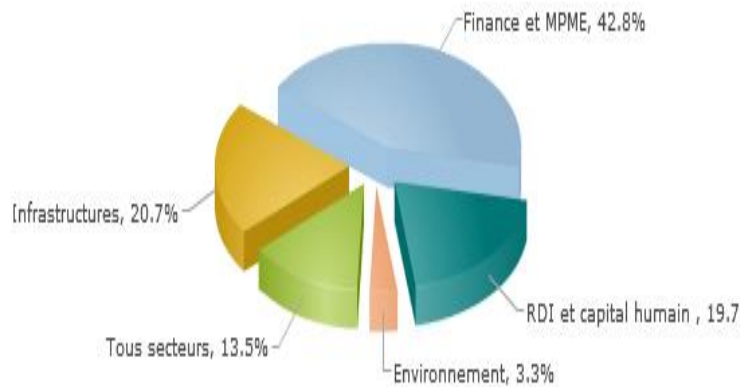


External Lending Mandate <ul style="list-style-type: none">• European Union guarantee• EUR 9.6 billion (EU Guarantee up to 65% of signed amounts)• Comprehensive guarantee (public sector, sub-sovereign)• Political risk guarantee (private sector)	Neighbourhood Financing Facility <ul style="list-style-type: none">• EIB own resources• EUR 3 billion	Risk capital mandate <ul style="list-style-type: none">• Up to 300 million• Neighbourhood Investment Facility (NIF), EIB and third parties
FEMIP Trust Fund <ul style="list-style-type: none">• Donations from Member States and the European Commission• EUR 40 million donated, of which EUR 4 million remaining• Upstream and technical assistance, as well as new initiatives such as Impact Financing	Neighbourhood Investment Facility (NIF) <ul style="list-style-type: none">• European Commission blending tool	Other partnerships <ul style="list-style-type: none">• Co-financing and alignment with other IFIs• Third party resources, e.g. Deauville Partnership MENA Transition Fund

FEMIP Trust Fund



- ❖ A multi-donor multi-sector Trust fund with the view to launch technical assistance projects, upstream studies and targeted private equity operations;
- ❖ Instrumental in developing new areas of activities for the Bank such as PPPs, Urban rehabilitation, transport sector etc...



Fin 2013	Donateur	Total (milliers d'EUR)
	Allemagne	2 000
	Autriche	2 000
	Belgique	2 500
	Chypre	1 000
	Commission européenne	1 000
	Espagne	10 000
	Finlande	1 000
	France	7 000
	Grèce	3 000
	Irlande	1 000
	Italie	2 500
	Luxembourg	3 100
	Malte	1 500
	Pays-Bas	2 000
	Portugal	1 000
	Royaume-Uni	3 016
	Suède	1 000
	Total	44 616



Priority sectors: Transport



✓ Objectives

- Extending the Trans-European Transport Network (TEN-T) beyond the EU and developing the Trans-Mediterranean Transport Network (TMN-T) and related priority projects.
- Supporting sustainable transport projects such as public transport, short sea shipping, as well as multimodal solutions and logistic platforms.
- Promoting safety along transport networks. Particular attention should also be paid to cooperation in the field of security and safety for all transport modes.

✓ Pipeline Highlights

- Egypt – Cairo Metro Line 3 (PHASE 3) – EUR 200m
- Tunisia – Autoroute Tunis Sud-Ouest – EUR 200m

Priority sectors: Energy



✓ Objectives

- Support the development of renewable energy projects
- Develop the energy efficiency potential
- Develop and rehabilitate the energy (electricity and gas) distribution infrastructure and support the sustainable production and transmission investments that are required to meet increasing demand
- Support the integration of the Euro-Mediterranean energy market, including development and efficient operation of electricity interconnections, as well as regional integration of the natural gas networks.

✓ Pipeline Highlights

- Morocco – Ouarzazate III (Tower) – EUR 150m
- Jordan – NEPCO Green Corridor – EUR 54m

Priority sectors: Water and environment



✓ Objectives

- Depollution of the Mediterranean sea and other areas that do not drain into the Mediterranean
- Improved water security and water resources management, including projects supporting water efficiency and demand management, which will be given priority
- Climate action, with a special focus on adaptation to water-related climate impacts and reduction of greenhouse gas emissions from landfills.

✓ Pipeline Highlights

- Egypt – Egyptian Pollution Abatement (EPAP) III – EUR 70m
- Lebanon – Al Ghadir Water and Wastewater – EUR 69m

Priority sectors: Urban development



✓ Objectives

- Investments targeting informal settlements and the provision of basic urban services.
- Enhancement of conditions in the historic city centers.
- Sustainable urban regeneration and development of new sustainable urban-industrial clusters.
- Affordable housing and related infrastructure.

✓ Pipeline Highlights

- Morocco – Zenata Urban Development Project – EUR 150m.
- Tunisia – MEDINAS Rehabilitation Project – EUR 25m.



✓ Objectives

- **Education:** providing equitable access for all citizens of the Mediterranean region and ensuring that education programmes are well aligned with the needs of the labour market.
- **Information and Communication Technologies (ICT):** bridging the digital divide by supporting network expansion in rural and poorly served areas; promoting development of inclusive e-service platforms for public authorities.
- **Agriculture, Food Security and Forestry:** providing investments throughout the agricultural value chain, from sustainable production through to improved transport and processing.

✓ Pipeline Highlights

- Morocco – EUROPAC Industrial Packaging Plant in Tangier – EUR 15m



✓ Objectives

- Maintain support for Micro, Small and Medium Enterprises (MSMEs) through credit lines, equity investments and lending to microfinance institutions;
- Broaden the standard lending toolkit with new products, including guarantees, support for trade and local currency lending where possible;
- Support innovation by providing financing for private sector R&D and industrial investments which embody a flow of knowledge and technology into the region, creating a value chain based on indigenous industrial sectors and local needs;
- Promote regional integration through support for foreign direct investment.

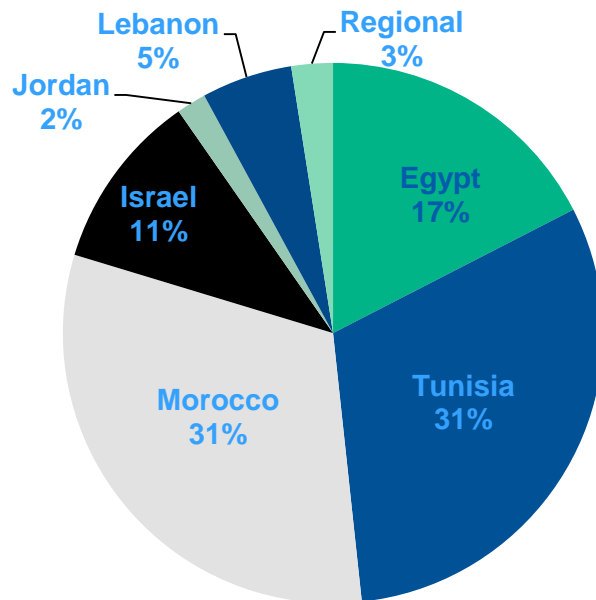
✓ Pipeline Highlights

- Tunisia – Partenariat BEI-BTK-RESEAU Entreprendre – EUR 20m
- Regional – SME Guarantee Facility – EUR 120m
- Jordan – Microfund for Women – EUR 2m

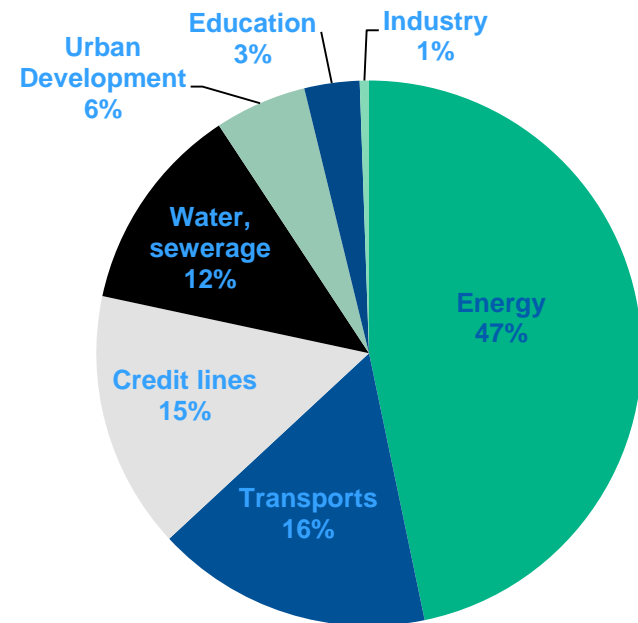
Pipeline per Country



- For the 3 years of the 2014-2016 business plan, the Bank expects to provide financing of some EUR 4.5 billion in the region, a yearly finance of around EUR 1.5 billion.
- These will be split as follows



Geographical Distribution



Sectorial Distribution

Unlocking opportunities...



The opportunities equation: Potential large market (total population over 380 m for MENA) + large infrastructure needs + competitive advantages in sectors:

- **Renewable energy:** Highest world rates of sunlight duration of more than 3,500 hours per year; progressive awareness by governments on potential. Study carried out by the EIB shows that pipeline of RE project in the MENA amounts to 10.3 GW for 90 projects.
- **Transport sector:** key transport interconnections still missing. EIB working on the development of key logistics platform in the region with connection to the hinterland.
- **Health, education and urban development:** large demand for projects in the social sectors. EIB financing social housing and considers opportunities for PPPs to bring in the private sector.
- **Heritage and tourism:** Economic performance of tourism in MENA region has been surprising, given the security risks, natural disasters, oil price rises and economic uncertainties in the region. Potential for growth is evident. EIB is deploying Medinas 2030 initiative for sustainable and integrated rehabilitation of historic city centers.
- **Niche markets:** opportunities in mobile banking sector, agri-business, health and pharmaceutical sectors, media and IT sectors, broadband connections etc...



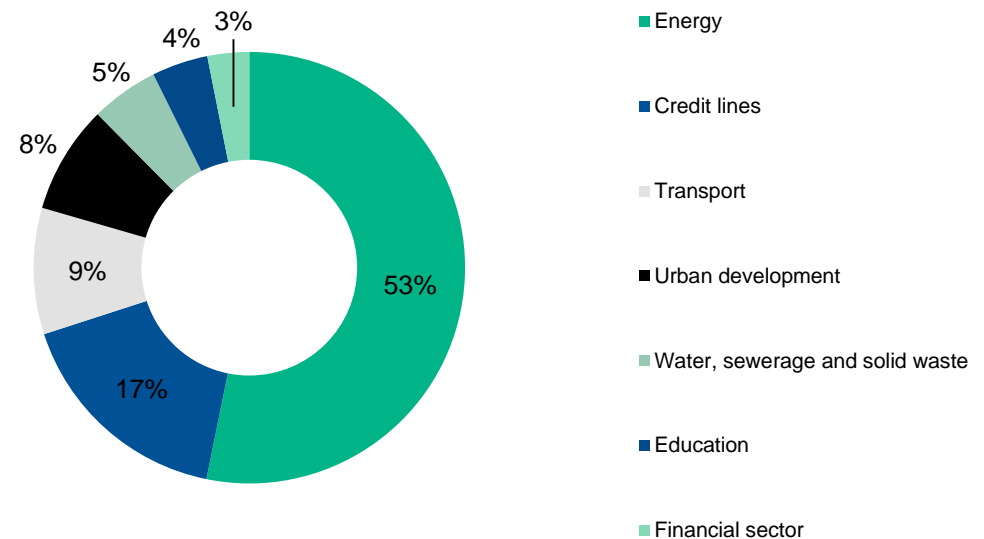
Thank you





EIB Lending in the Mediterranean: 2014 snapshot

- Over EUR 1.6 bn of signed operations
- 30% of signed operations in support of climate action
- Almost EUR 1 billion approved for 16 new operations
- Risk capital operations signed for EUR 48 million
- EUR 5.4 million in new approvals from the FEMIP Trust Fund for studies and advisory services



FEMIP financing operations in 2014 – Breakdown by sector