

**EIB Med conference**

**Improving lives and creating opportunities**

*Opening session*

*Amman, 2 July 2018*

*[checked against delivery]*

*Excellencies, Ministers,*

*Honourable guests*

*Dear friends and colleagues,*

*Ladies and Gentlemen*

I am pleased to welcome you here Today at the 18<sup>th</sup> Edition of the EIB med conference. This year we organise our regional conference in Jordan. A country that was hit by external shocks nevertheless played a Nobel role in hosting a huge influx of refugees. For this, the topic of this year's conference is "Improving lives and creating opportunities" in the context of the Economic Resilience Initiative. Let me begin by thanking the Ministry of Planning and International Cooperation, the Ministry of

Water and irrigation, the Union for the Mediterranean (UfM) and the EU delegation in Jordan for their collaboration in the organisation of this event.

**Indeed, “Acting Together”** is an imperative when it comes to achieve the 2030 Agenda for Sustainable Development, aiming at a sustainable future for all, leaving no one behind, with a peaceful and inclusive society, and a healthy planet. The Sustainable Development Goals call for a **common ambition, new ways of working, and creativity and innovation** to face constantly renewed challenges. They also call for the mobilisation of additional resources, both at domestic and international level, and from the public and private sectors. SDG 17 on “partnership” is not just a wish, it is a necessity for all of us to join forces and combine our expertise and capacity, to achieve the goals.

In line with the integrated **EU’s global strategy and the new consensus on development**, EU support in the region focuses globally on security and stability, governance, economic growth, migrations and mobility, tailored under partnership priorities agreed with each country. In this framework, the EIB is mandated to support, through its operations,

**private sector development, socio-economic infrastructure, climate action, economic resilience, and regional integration.**

And we blend European resources, in order to enhance the relevance, the efficiency, and the leverage effect of our operations. This goes through guarantees and grants to loans, in particular under the blending facilities put in place by the European Commission (NIF), but also through the External Investment Plan (EIP) and specifically the European Fund for Sustainable Development (EFSD) which will provide guarantees to scale up investments in priority sectors. The EIB is taking an active role in the EIP as one of the implementing financing institutions. We have already made some proposals to the European Commission in the area of digitalisation and access to finance for SMEs in the region and are cooperating with our colleagues in EU Delegations across the regions, in order to ensure maximal complementarity, additionality and impact of our instruments.

During the last decade (2007- 2017 to date), the EIB invested over 15 billion euro in support of projects in transport, water & sanitation, social infrastructure and energy with a focus on energy efficiency and

renewable energy projects in the Southern Neighbourhood region. Our investments have also supported private sector development by financing Micro, Small and Medium Enterprises and Mid-Caps as well as the corporate sector in the region. Our lending activities in the Mediterranean region are carried-out in full coordination with EU and Mediterranean partner countries, with the overall objective to support socio-economic development in all its dimensions. This was also confirmed during the recent Brussels conference on Syria and the Cedre conference on Lebanon, which are relevant fora for us to further adapt and tailor our interventions to regional local contexts and national priorities.

Alike Europe, the Mediterranean region needs to **boost public and private investments** in order to respond to the aspiration of its citizens.

This goes together with necessary structural and regulatory reforms, for countries to build conducive business environments and mobilize public and private resources in priority sectors. This also goes with regional integration, through connectivity, trade, transport facilities, for companies to operate on a global market. This is also why EIB is a

longstanding partner of the Union for Mediterranean, which plays a key role in promoting regional-dimension projects.

The European Investment Bank developed, on the request of the 28 EU Member States, an initiative to rapidly mobilise additional financing in support of growth, vital infrastructure and social cohesion in the Southern Neighbourhood and Western Balkans countries, which were significantly affected by the refugee crisis. **The “Economic Resilience Initiative” aims to deploy additional lending of 4.5 billion euro until 2020 in the Southern Mediterranean region.** This will bring the total expected support by the EIB to the Region, to a total of around 13-14 billion euro for the period 2014-2020, including in particular 2.1 billion euro for higher risk, higher impact financing to support the private sector. Additional support through donor-funded grants and technical assistance is also provided in order to enhance investment preparation and ultimately the impact generated by these investments.

The EIB’s commitment under the ERI will activate additional investments for a total of 11.25 billion euro that will add-on to the ones

already foreseen. As a result, the total amount will reach approximately 27 billion euro of enabled investments in the Southern Neighbourhood by 2020.

So far, we have approved 26 projects in 9 countries for a total amount of 2.2bn euros (1.8bn euros signed); of which 1.5bn euros in the southern neighbourhood.

**Ambition and creativity:** typically, these were needed, to conceive and design the Red Sea – Dead Sea project, where **seawater from the Red Sea will be turned into drinking water, and the brine—the high-saline solution remaining after the desalination—will be transferred together with seawater into the Dead Sea to reduce the decline in the water level.** The idea of a pipeline from the Red Sea to the Dead Sea dates back 1994, and was materialized in 2013 when Israel, Jordan and Palestinian Authority agreed on this landmark regional agreement.

**Collective action:** the EU is supporting this very important project with an integrated approach, combining grants from the EC and pledges from France, Italy and Spain, and other international partners, coordinated by EIB and the AFD. This means a significantly better access to drinkable

water for Jordan's and Palestinian growing populations. Improving lives and creating opportunities: having financed feasibility studies and dedicated technical expertise to make this project happen, together with others, the EIB is ready to sign 30 million EUR to the first phase of the project, as a start.

**Creating opportunities:** in coordination with the Union for Mediterranean, under the initiative of His Majesty King Mohammed VI, and with contributions from international, European and Moroccan financial partners, the EIB is supporting the construction of the Eco-campus of the EuroMed University of Fes, aiming to host over 6,000 students representing diverse nationalities in the Euro-Mediterranean region and Sub-Saharan Africa, and to build academic, scientific and intercultural bridges between the two shores of the Mediterranean.

**Improving lives through access to basic services, offering perspectives in particular for the Youth:** these are the key challenges ahead of us. As the largest multilateral lender worldwide and the Bank of the European Union, the EIB stands alongside its Mediterranean partners

in the region to support inclusive and sustainable development, fight poverty, and support adaptation to climate change.

Since end 2016, this allowed us to step up our support. For example, we invest every year more than 1 billion euro in the private sector in the region. We are providing wide-spread support to companies through loans at favourable conditions from Morocco to Lebanon, accompanied by Technical Assistance where required. As an example, a first “ERI” loan in the amount of EUR 300m was signed in December 2017 with the “Arab Bank Regional Facility for SMEs and MidCaps” – and will be made available in Jordan as well as in Lebanon, Palestine, Egypt and Morocco through Arab Bank’s branches. We also support the development of industrial parks (this is the case in Lebanon), with the objective to foster industrial and productive private sector development and job creation in the region.

And this is already starting to make a **difference**: under the initiative, the EIB and its partners are supporting 1,300 smaller businesses and midcaps via partner banks, helping to sustain more than 55,000 jobs, bringing safer water for 4 million and improved sanitation for another 4 million people,

as well as helping create 5,000 new permanent jobs. The infrastructure projects underway under this initiative will create 125,000 jobs in their construction phase.

**Higher risk –higher impact – impact measurement:** this is the tryptic underlying our initiative, entirely focused on improving lives and creating opportunities and perspectives for the people. To do so, we use the large spectrum of our financial toolbox, combined with risk-sharing products, to expand the outreach of our operations to new sectors, new regions, and to attract and crowd-in other public and private investors. Our goal is to contribute to fill the financial gaps, specifically for the underserved and the most in needs. This is particularly true when supporting micro and small companies, either through lending to microfinance institutions or providing equity to dedicated funds. In that regard, the Microfund for Women in Jordan, and the Silicon Badia Impact fund, in which we invested, are typical. [Microfund for Women](#) has given women across Jordan confidence to go beyond the home and engage in business, through microloans that women are not accessing through local banks. This was the first EIB support to a microfinance operation in Jordan,

made possible by EU grants. Thanks to this fund, low-income women can already engage in economic activity with small loans and technical assistance. The fund has also recently launched a microinsurance product. Badia is providing mentorship, expertise and capital to empower to a new generation of technology start-ups, connecting entrepreneurs, companies, and investors in Jordan and the Southern and Eastern Mediterranean region. Concretely, the fund has already made investments in 13 promising companies operating in a large variety of sectors, including internet technologies, business related and end-user software, broadcasting and medical devices, having created more than 400 jobs, 72% of which are occupied by people under 30 years of age, 39% are women, 38% are engineers and 9% studied abroad and came back to work in Jordan.

As you are aware, Jordan is a **priority country of operation for EIB**, and as such, we aim at further develop our activities which started already in 1978. Today, EIB investments in the country amount to more than EUR 480m, predominantly in the water, energy and transport sectors.

Looking ahead, 15 operations are currently under preparation, for an overall amount of EUR 850m in water and sanitation, renewable energy, public transport, microfinance and risk capital-equity funds.

Excellencies, dear friends, ladies and gentlemen, this conference will be an excellent occasion to exchange on how to go further, exploring ways to **further enhance our partnership and improve lives** across the region. Challenges and opportunities are numerous, and you can count on EIB to be your attentive and supportive partner in the years to come. Already present in Egypt, Morocco and Tunisia, the **EIB will also open two representations in Amman and Beirut**, located within EU Delegation, before the end of the year, to stand ever closer to your ambitions and priorities. I am confident that this will undoubtedly further deepen our fruitful dialogue and cooperation.

I thank you for your attention.

**THE END**