



Facility for Euro-Mediterranean Investment and Partnership • Facility for Euro-Mediterranean Investment and Partnership



FEMIP

Financing operations in Jordan

FEMIP: Financing in Algeria, Egypt, Gaza/West Bank, Israel, Jordan, Lebanon, Morocco, Syria and Tunisia.

FEMIP, the European Investment Bank's Facility for Euro-Mediterranean Investment and Partnership, is the key player in the financial partnership between Europe and the Mediterranean, providing EUR 12 billion of financing between its inception in October 2002 and December 2010.

The EIB, capitalising on its long presence and extensive lending in the Mediterranean region, as well as the wide range of financial instruments at its disposal, supports projects that contribute to furthering sustainable economic development in the region and thus meeting people's aspirations.

Driven by growing exports, domestic consumer demand and a booming real estate sector, the Jordanian economy has performed well in recent years. In the context of the global financial and economic crisis, GDP growth slowed down to an estimated 3% in 2010.

The success of the Jordanian model is mainly due to sound monetary and fiscal policies, far-reaching structural reforms such as trade liberalisation, improvements in the business environment and a successful privatisation programme.

As the European Union's financing institution, the EIB is supporting Jordan's drive towards a competitive and modern economy. Since 1978, the EIB has provided over EUR 849 million for projects in the industrial, energy, water and transport sectors and to help develop the private sector.

About FEMIP

FEMIP brings together the whole range of services provided by the European Investment Bank (EIB) in the Mediterranean partner countries.

Over the period 2007-2013, FEMIP has EUR 8.7 billion at its disposal to support projects in the nine Mediterranean partner countries. These resources are augmented by EUR 2 billion under the Mediterranean Partnership Facility II and by EU budget resources for technical assistance and private equity activities.

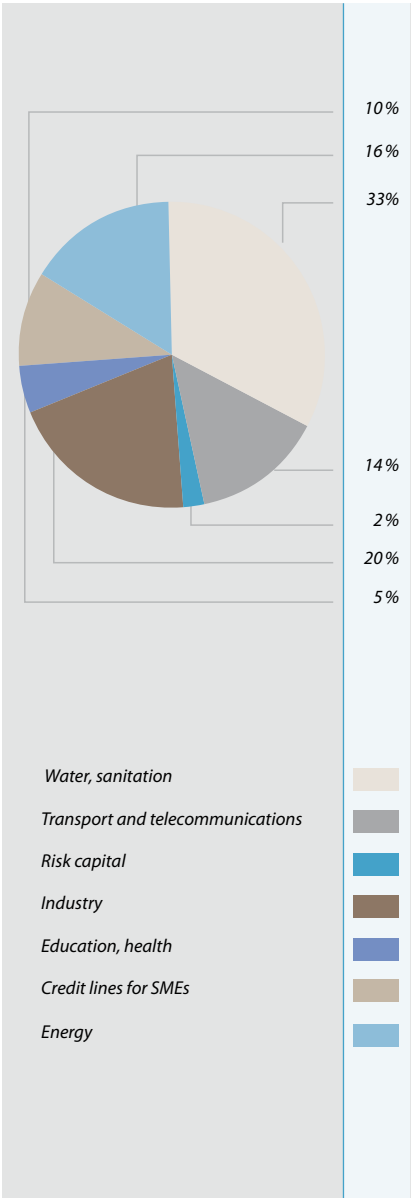
Under the European Neighbourhood Policy and in the context of the Union for the Mediterranean, FEMIP encourages the modernisation and opening-up of the economies of the Mediterranean partner countries. Activities are focused on two priority areas: development of the private sector and the creation of an investment-friendly environment.

The EIB in Jordan: focus on the private sector

The sectoral breakdown of EIB operations in Jordan reflects to a large extent the Bank's traditional areas of activity in the region.

- **Water and the environment:** the Bank has provided more than EUR 277 million to finance water distribution and sanitation infrastructure, including the restructuring and rehabilitation of the water distribution and transmission network in Greater Amman and a project for supplying water to the capital.
- **Technical assistance:** contracts have been entered into totalling almost EUR 4.4 million to support the preparation and implementation of projects, mainly in the financial and transport sectors.
- **Industry:** more than EUR 170 million has been provided for industrial projects, including the building of manufacturing facilities for bromine on the southern shore of the Dead Sea, the development of a phosphate mine in south-eastern Jordan and the construction of a magnesium production plant.
- **Transport and telecommunications:** the Bank has lent a total of more than EUR 123 million to major transport and telecommunications projects in Jordan, including over EUR 60 million to finance the construction of the Amman ring road.
- **Human capital:** almost EUR 40 million has been provided to assist with the reform of the elementary education system and schools in Jordan.
- **Private equity:** over EUR 16 million has been provided by the EIB to support the private sector through direct equity investments in mid-sized private companies, investment funds and co-investments with local intermediaries.
- **Energy:** more than EUR 135 million has gone to energy transmission and distribution projects and to the construction of a regional gas pipeline across Jordan.
- **Small and medium-sized enterprises (SMEs):** more than EUR 86 million has been advanced to local banks in the form of credit lines for onlending to SMEs.

Sectoral breakdown of operations in Jordan (1978-2010): EUR 849 million



FEMIP finances its first PPP-type project in Jordan

In 2009, the Bank signed a EUR 165 million loan for Jordan's water sector. The purpose of the project, which is to be carried out in the form of a public-private partnership (PPP), is to construct a bulk water extraction and conveyor system, including a 325 km pipeline to pump and transfer 100 million m³ of drinking water annually.

The project will help to address water scarcity, the most important natural constraint for Jordan's economy. It will put in place a major part of the country's water infrastructure to convey water from south to north, and almost double water supplies for the economically important central region of Jordan. It will thus contribute to improving health and economic conditions in the country.



The transport sector – a major role in Jordan's economy, at the heart of the Middle East

In 2003 and 2008, the EIB granted loans totalling EUR 63 million to Jordan for the construction of the Amman ring road. The project consists of the implementation of the first phase of the ring road, which will have a total length of 116 km and will carry the large flows of national and international road freight traffic. This initial phase has also been called the Amman Development Corridor, given its potential to handle the expected rapid development of the metropolitan area in the future.

The Ministry of Public Works and Housing is currently preparing a road infrastructure master plan for the whole of Jordan under an EU-funded technical assistance operation coordinated by the European Investment Bank. Following a diagnostic assessment and the development of a sector strategy, the project will serve to develop a detailed investment programme covering the rehabilitation of existing infrastructure and improved road safety measures and will propose a better approach for the management of maintenance works.



FEMIP – a forum for dialogue

FEMIP involves the Mediterranean partner countries in its lending policy guidelines through constructive discussions on economic, financial and sectoral matters. This dialogue operates at three levels:

- the FEMIP Ministerial Meeting, which brings together once a year the Euro-Mediterranean Ministers of Economy and Finance
- the FEMIP Committee, which is composed of representatives of the Member States, the Mediterranean countries and the Commission. It meets several times a year and has the remit of discussing FEMIP's strategy, approving its annual report and issuing opinions on the launch of new financial products;
- the FEMIP Conferences, which periodically bring together representatives from the private and public sectors and civil society, academics and experts to discuss topics relating to regional integration and economic development in the Mediterranean partner countries.

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Direct loans and private equity financing can be requested directly from the EIB. Applications for the financing of smaller-scale projects should be addressed directly to the financial institutions or commercial banks to which the EIB has granted credit lines. A list of the partner institutions in Mediterranean countries and other information on lending can be found on the Bank's website (www.bei.org/femip).

FEMIP products

- Long-term direct loans for large-scale projects (costing more than EUR 25 million)
- Credit lines for intermediary banks, which onlend the funds to finance investment undertaken by small and medium-sized enterprises or local authorities
- Credit lines for microfinance institutions
- Private equity (direct equity or quasi-equity investments in unlisted companies, private equity funds and co-investments with local intermediaries)
- Technical assistance to strengthen the capacity of Mediterranean partner countries and promoters and to finance upstream studies and activities focusing on the development of the private sector

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