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FEMIP Annual Report 2009





Between 2002 and 2009, FEMIP

- ↳ **financed 143 projects** in the Mediterranean totalling EUR 10 billion, making it the region's main lender;
- ↳ **financed over 1 900 SMEs** and helped to create or save almost 25 000 jobs in the region;
- ↳ **mobilised an additional EUR 25 billion**, which was provided by the private sector, bilateral agencies, and other international financing institutions;
- ↳ strengthened its role as a strategic partner for private equity to support very small as well as medium-sized companies, with a **portfolio of over EUR 470 million involving 535 operations**;
- ↳ **allocated more than EUR 27 million** to the microfinance sector to encourage the creation of new institutions and help existing institutions to become fully integrated into the local financial sector;
- ↳ **launched 105 technical assistance operations** with a total value of EUR 98.5 million.



What is FEMIP?

FEMIP, the Facility for Euro-Mediterranean Investment and Partnership, is the European Investment Bank's financial arm for the Mediterranean, which was launched in 2002. Within the framework of the European Neighbourhood Policy and the Union for the Mediterranean, it promotes the economic and financial development of the Mediterranean partner countries.

Its two investment priorities are support for the private sector, the key to sustainable growth, and the creation of an investment-friendly environment by means of efficient infrastructure and appropriate banking systems.

With more than EUR 10 billion invested since October 2002, FEMIP has established itself as the main financial partner in the Mediterranean region. It encourages dialogue between the two shores of the Mediterranean at the institutional level and with representatives of the private sector and civil society. It also carries out field studies financed by its Trust Fund to facilitate its understanding of the challenges facing the Euro-Mediterranean region.



The Union for the Mediterranean (UfM) brings together the 27 EU Member States, the nine Mediterranean partner countries (Algeria, Egypt, Gaza/West Bank, Israel, Jordan, Lebanon, Morocco, Syria and Tunisia) and Albania, Bosnia and Herzegovina, Croatia, Mauritania, Monaco, Montenegro and Turkey.



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FEMIP

Facility for Euro-Mediterranean Investment and Partnership





The specific projects announced in Paris in July 2008 are starting to take shape. FEMIP can bear witness to this, having devoted nearly 80% of its financing in 2009 to projects meeting the UfM's objectives.

Message from the Vice-President

The Union for the Mediterranean (UfM) will soon be celebrating two years of existence. Progress has been made at the institutional level, in particular with the definition of the UfM's operational structure, the appointment of Mr Ahmed Massadeh as Secretary General and the inauguration of the Pedralbes Palace in Barcelona. At the same time, the specific projects announced in Paris in July 2008 are starting to take shape.

FEMIP can bear witness to this, having devoted nearly 80% of its financing in 2009 to projects meeting the UfM's objectives. Under the mandate given to it by the Euro-Mediterranean Finance Ministers in Luxembourg in October 2008 and Brussels in July 2009, FEMIP continued to play a key role in the financial coordination of three of the UfM's priority initiatives: the depollution of the Mediterranean, the maritime and land highways and the Mediterranean solar plan. The Bank also took part in drawing up the terms of reference for the Mediterranean Business Development Initiative, another priority of the Paris Summit. More generally, support for the private sector took up 43% of FEMIP's

financing in 2009, which was provided in the form of loans to private enterprises and private equity. Total FEMIP signatures in 2009 reached the record amount of nearly EUR 1.6 billion.

Against the backdrop of an increasingly fragile global economy, this contribution was vital. Indeed, the economic and financial crisis has not spared the Mediterranean region, which has seen a fall in the volume of its exports, the amount of migrant workers' remittances and foreign direct investment. Nevertheless, the partner countries have shown remarkable resilience and withstood the crisis better than most similar economies. For instance, in 2009 tourist receipts in Syria and Tunisia increased, Lebanon maintained a GDP growth rate of 7%, Morocco reported a record agricultural harvest and Egypt and Jordan were able to depend on their relatively diversified output and close links with the Gulf countries to get them through the turbulent times. These few examples go to show the formidable economic potential of the countries of the region, which are capable of taking up the baton of growth



from the European Union at a time when its economic and demographic vitality is starting to flag.

Clearly, modernising the partner countries' economies will benefit the Euro-Mediterranean region as a whole, and this is why it is essential to ensure that everybody involved has a sense of ownership of the UfM project. Aware of the need to work together with the other Mediterranean development players, FEMIP is continuing to strengthen and extend its partnerships with finance providers and the private sector, but also with civil society and academia. It is in this spirit that the EIB has teamed up with the World Bank, France and five partner countries to set up in Marseille an innovative platform for partnership – the Centre for Mediterranean Integration, which will help to strengthen the region's public development policies.

As the bank of the European Union, the EIB has given Europe the backing it needs to withstand the crisis by increasing its overall lending by 30%, providing massive support to small businesses and growth sec-

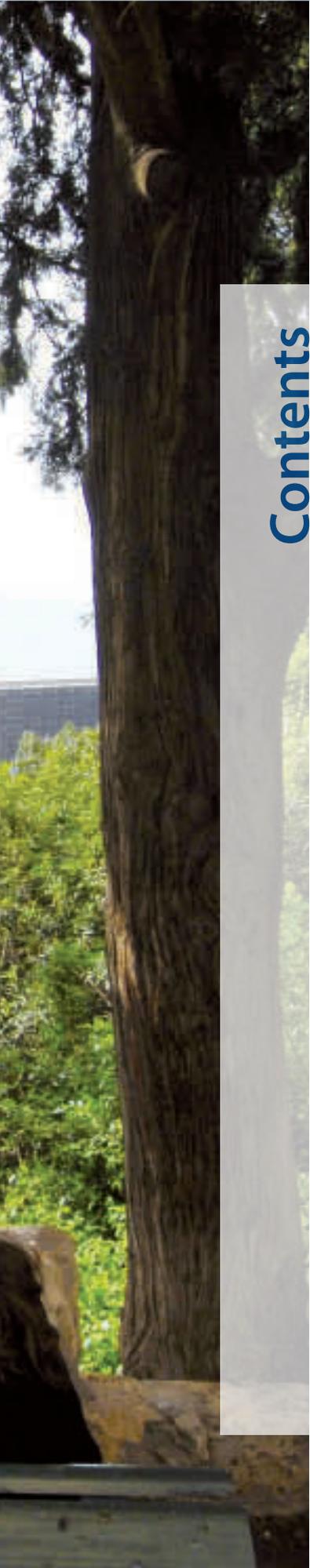
tors such as R&D and renewable energy, and targeting its investment at the worst hit regions. And now the Bank's role outside the European Union is being evaluated in the mid-term review of the external mandates. This will especially identify ways to maximise the value added and effectiveness of the Bank's operations. On the basis of the expertise built up by the EIB within the Union, FEMIP will gear its activities to the recommendations and decisions that emerge from the review.

Philippe de Fontaine Vive Curtaz
EIB Vice-President
responsible for FEMIP



The European Investment Bank (EIB) is the long-term financing institution of the European Union (EU). Its shareholders are the 27 Member States of the EU. The bulk of its lending is for projects in the EU.

Outside the EU, the Bank supports projects that contribute to economic development in countries that have signed association or cooperation agreements with the EU.



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Note: FEMIP's private equity activities also include signatures under global authorisations, which are not usually booked as "new" signatures. Such operations have been included in the total amount for FEMIP's activities.

Overview



Ramallah, Palestinian territories.



Key figures for 2009



- ↳ **EUR 1.6 billion** was invested by FEMIP in the Mediterranean partner countries, an unprecedented amount to date.
- ↳ **20 projects** benefited from this financing, of which 12 were sponsored by private sector companies (43% of the total amount allocated by the EIB), and 8 by the public sector (57%).
- ↳ **Nearly 70% of the projects** were cofinanced with other European and international financing institutions.
- ↳ **EUR 1.3 billion** was the amount of disbursement, a tangible indicator of the actual realisation of investment projects on the ground. This figure has been growing over the past years.
- ↳ **Nearly EUR 12.2 million** was allocated to technical assistance operations, aimed at helping promoters in the day-to-day management of their projects (including contract extensions).
- ↳ **5 sectoral studies** were approved by the FEMIP Trust Fund. These studies concerned topics such as support for SMEs, urban renewal and the establishment of an investment plan for renewable energy in the Mediterranean.

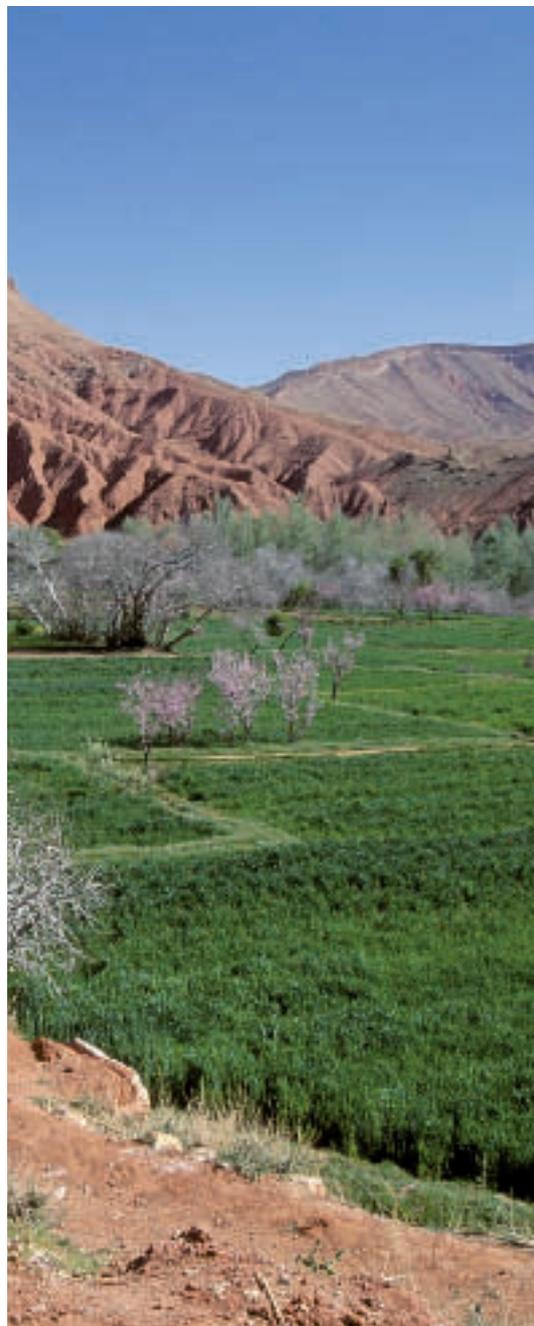
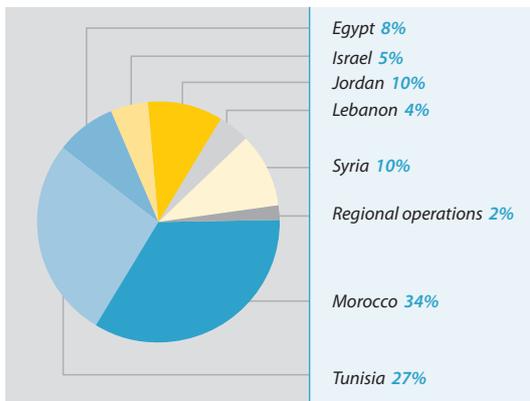
Transport, a priority sector for the EIB and one of the Union for the Mediterranean's six key initiatives.

Investments by FEMIP in 2009

By region

EUR 974 million in the Maghreb
EUR 597 million in the Near East
EUR 25 million for regional projects

Figure 1: Breakdown by country

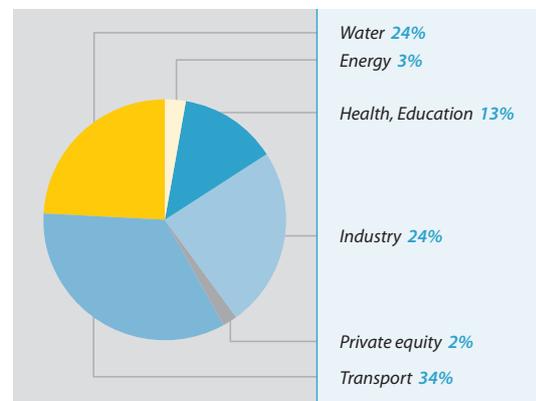




By sector

EUR 544 million for transport
 EUR 381 million for water infrastructure
 EUR 391 million for industry
 EUR 200 million for education
 EUR 50 million for renewable energy
 EUR 30 million for private equity operations

Figure 2: Breakdown by sector



Port of Tartous, Syria.



FEMIP calendar 2009

Main highlights ...

4-6 March, Rabat

FEMIP organises a conference addressing the needs of Mediterranean SMEs throughout their business life-cycle, in conjunction with the second regional forum on the investment climate in the Mediterranean and the Middle East.

24 March, Tunis

FEMIP finances the first private joint venture between Tunisian companies and foreign partners in Tunisia, with a loan that complements, for the first time ever in the history of the Bank, a lease by an Islamic financier, the Islamic Development Bank.

10-11 May, Monaco

A FEMIP conference addressing sustainable water financing and climate change is hosted in the Principality of Monaco.

15 May, Amman

The Disi South-North Water Conveyor project is signed in Amman, the EIB's first public-private partnership project in Jordan.

7 July, Brussels

FEMIP provides a EUR 200 million loan for the education sector in Morocco to support a national reform programme.





7 July, Brussels

The 9th FEMIP Ministerial and 2nd UfM-ECOFIN meetings bring together Finance Ministers from EU Member States and UfM partner countries.

30 September, Cairo

FEMIP signs the Gabal El Zait Wind Farm project, its first operation in the renewable energy sector in Egypt.

8-9 October, Marseille

FEMIP organises a seminar on the “Medinas 2030 Initiative”, an ambitious project targeting the rehabilitation of historic cities in the Mediterranean.

9 October, Marseille

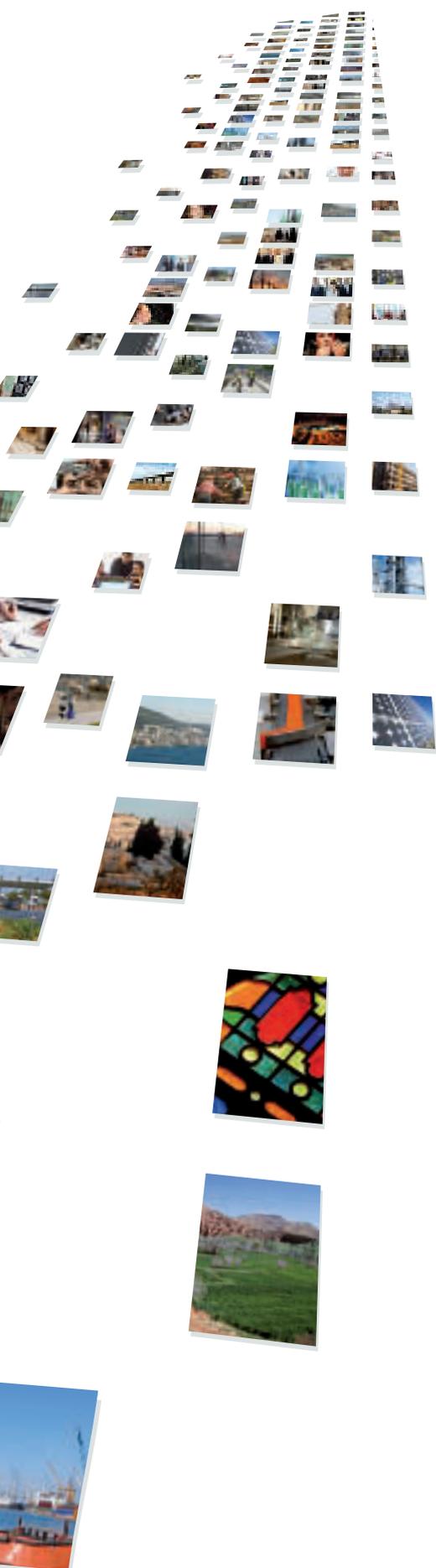
Together with its partners, the EIB launches the Centre for Mediterranean Integration (CMI), a platform for multilateral cooperation to support public policy reform in Mediterranean countries.

21 November, Beirut

FEMIP signs a Memorandum of Understanding that reinforces its collaboration with two of the main private sector trade associations in the region: ASCAME and GUCCIAAC.

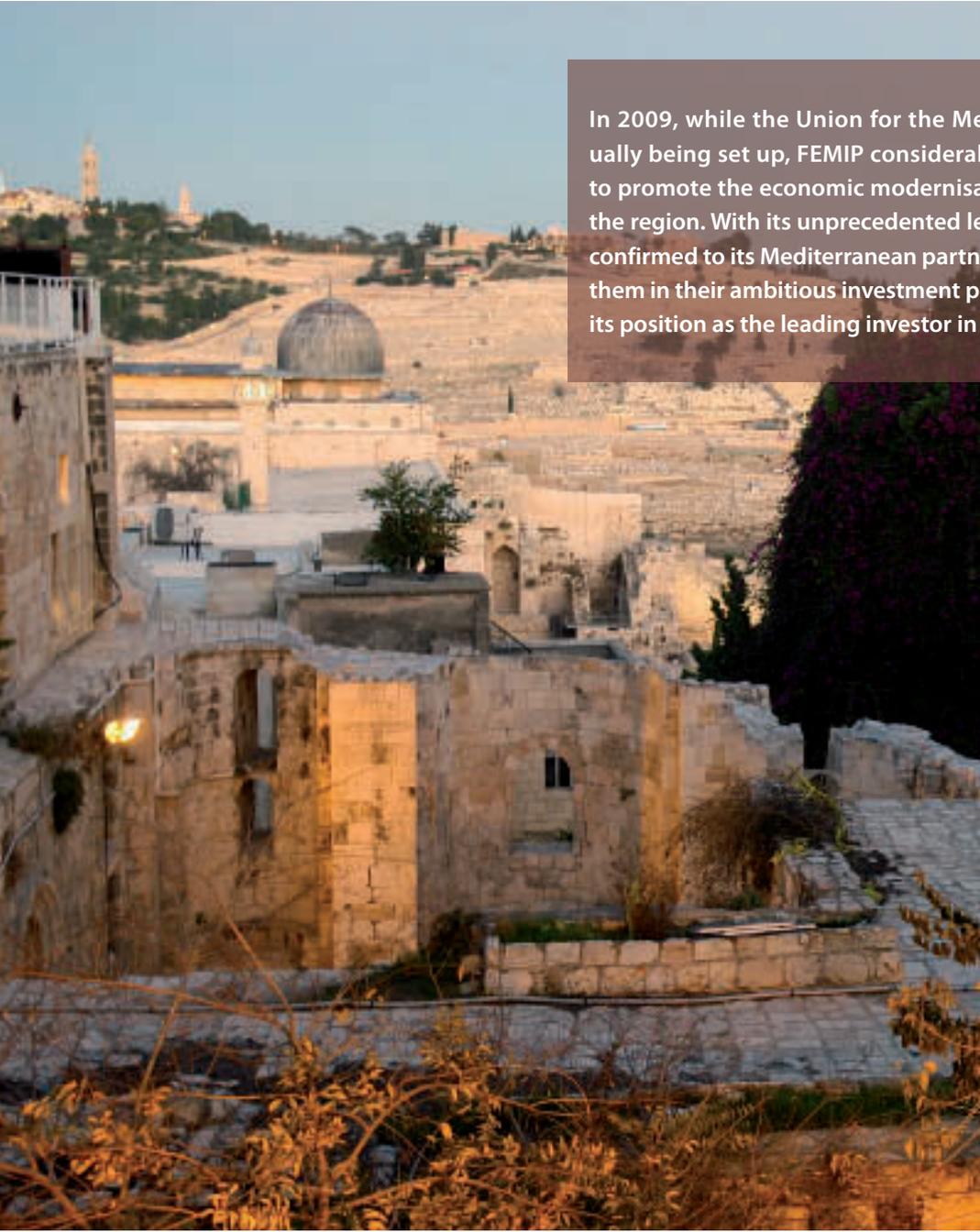
22 December, Ramallah

FEMIP sets up the first venture capital investment fund targeting the Palestinian territories.



FEMIP at the service of the Union for the Mediterranean

Concrete projects, a common ambition



In 2009, while the Union for the Mediterranean was gradually being set up, FEMIP considerably increased its efforts to promote the economic modernisation of the countries of the region. With its unprecedented level of activity, the Bank confirmed to its Mediterranean partners that it could support them in their ambitious investment policies and consolidated its position as the leading investor in the Mediterranean.



Jounieh, Lebanon.

Strong involvement at the policy level

In line with the recommendations of the 9th FEMIP Ministerial meeting held on 7 July 2009 in Brussels, FEMIP dedicated its financial resources and expertise to contribute to the key Union for the Mediterranean initiatives flagged by Euro-Mediterranean Heads of State at the July 2008 Paris Summit.

The depollution of the Mediterranean moved forward with the launching of the first phase of the Mediterranean Hot Spot Investment Programme Project Preparation and Implementation Facility (MeHSIP-PPIF). This Facility provides grant assistance to help partner countries prepare pollution reduction infrastructure projects to the required standards for international financing. FEMIP has recently drawn up a shortlist of ten investment projects totalling approximately EUR 500 million that the Bank is willing to examine and possibly finance under the second phase of the MeHSIP-PPIF (2010-2012).

With regard to the Mediterranean Solar Plan, and as requested by the Euro-Mediterranean Industry Ministers at their Nice meeting in November 2008, FEMIP

launched in 2009 a study aimed at drawing up an investment for the development of renewable energy in the Mediterranean. This study is to determine the economic and financial viability of the priority projects identified.

On the theme of maritime and land highways, the EIB is working closely with the European Commission and has been involved in the preparatory work carried out in the context of the Euromed Transport Project, which aims to extend the major trans-European transport corridors to the neighbouring countries and regions. In particular, the Working Group on Infrastructure and Regulatory Issues (in which the EIB participates) is working on the identification of a trans-Mediterranean transport network and the definition of a list of priority projects of regional interest for which financial support will be sought.

FEMIP is also contributing to the Mediterranean business development initiative via a study carried out in the partner countries aiming at defining the terms of reference of the initiative. The study has already

started and its results are expected by the end of 2010. It will be based on an analysis of existing financial cooperation schemes and field visits to partner countries in order to identify market niches that need to be developed. The study will also recommend a business plan for the medium term (three years).

Two FEMIP fora have been instrumental in helping FEMIP to play a stronger policy role: the FEMIP Committee, which aims to establish strong institutional relations with the Mediterranean partner countries, and the FEMIP Trust Fund Assembly, which operates as a think tank for exploring the region's key economic issues and ways of addressing the region's needs.

The partnership with international institutions and bilateral agencies also continued to grow, as illus-

trated by the various initiatives that are being implemented and by the launching of the Marseille Centre for Mediterranean Integration, together with the World Bank and the Governments of Egypt, France, Jordan, Lebanon, Morocco and Tunisia.

FEMIP continued to strengthen its ties with the private sector in the Mediterranean. In November 2009, the Bank signed cooperation agreements with two key partners for the region, the Association of the Mediterranean Chambers of Commerce and Industry (ASCAME) and the General Union of Chambers of Commerce, Industry and Agriculture for the Arab Countries (GUCCIAAC). It has also been working with European and Mediterranean banking institutions on ways of facilitating migrant workers' remittances in the region under a Memorandum of Understanding signed in early 2009.

Printing house, Jordan.





Railroad, City of Béja, Tunisia.



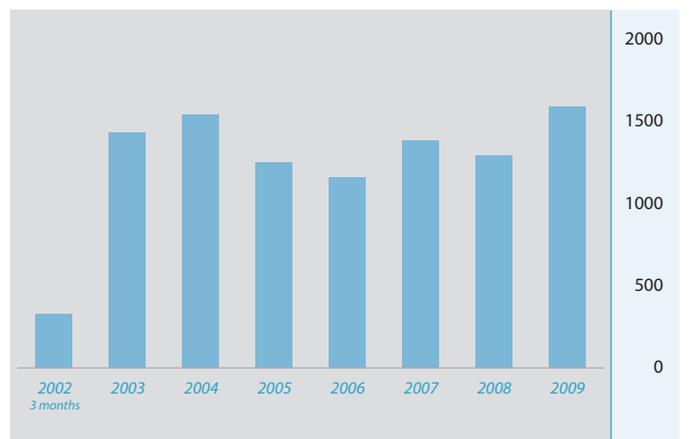
An increasing level of activity

With an amount of EUR 1.6 billion of financing, 2009 was a record year for FEMIP. A total of 20 projects received EIB support: seven in the Maghreb, ten in the Near East and three regional operations.

Private companies received nearly 60% of the finance in terms of the number of projects signed and more than 40% in terms of volume. This quantitative result went hand in hand with an effort by the Bank at the qualitative level, notably by carrying out complex investment projects (public-private partnerships, project finance, and support for projects with a higher risk profile than that generally accepted by the Bank). The synergies with partner financial institutions were strengthened, as shown by the cofinancing operations figure, amounting to more than EUR 1.1 billion.

With a disbursement volume of EUR 1.3 billion, the level of FEMIP's activity increased sharply, which is a tangible indicator that confirms the actual realisation of investment projects on the ground. This increase resulted from the rise in the number of projects signed but also from the effort made in terms of supporting and monitoring projects, in particular via technical assistance operations, which amounted to nearly EUR 12.2 million for 17 projects (including contract extensions).

Figure 3: Annual trend in volume of signatures



Operational objectives in line with the priorities of the UfM

In accordance with its operational plan for the period 2009-2011, FEMIP operations in 2009 were closely aligned with the priorities of the UfM. In fact, nearly 80% of the operations signed were in accordance with the priority guidelines set out in the July 2008 Paris Declaration or the Final Declaration of the Foreign Affairs Ministers (Marseille, November 2008).

With the financing of a wastewater treatment project in Lebanon and the improvement of the sewerage and drinking water supply system in Egypt for 4 million people, a total of EUR 140 million was provided to clean up the Mediterranean.

In order to encourage the development of maritime and land highways, FEMIP provided nearly EUR 460 million for the extension of roads in Tunisia and Morocco.

In the energy sector, FEMIP launched its first financing operation in Egypt in favour of renewable energy in the form of a EUR 50 million loan for the construction of a new wind farm.

FEMIP also continued to support Mediterranean SMEs by providing EUR 30 million in the form of private equity. Similarly, to finance the development of larger companies, four further loans totalling EUR 390 million were provided for the industrial sector in Tunisia, Morocco, Israel and Syria.

With regard to urban development, FEMIP earmarked EUR 50 million to finance capital expenditure programmes to improve the quality of life in Syrian cities.

Finally, in the education sector FEMIP provided Morocco with EUR 200 million for an extensive programme to increase the number of children attending school.

In 2009, through the full range of its institutional and operational activities, FEMIP confirmed that it was willing and able to provide important support for economic development in the partner countries, and did so against the background of the global economic and financial crisis.

Attention is now focused on 2010, which will see two key events that will shape the EIB's future activities in the region: the mid-term review of the Bank's external mandates and the Second Summit of Heads of State or Government, which will both define the work programme of the Union for the Mediterranean.

Figure 4: Breakdown by sector and country in EUR m (October 2002 - December 2009)

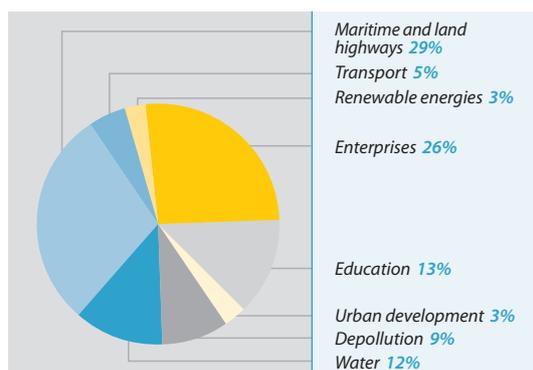
	Energy	Environment	Credit lines	Human capital	Industry	Transport	Risk capital	Total
Algeria	-	-	-	-	79	230	13	322
Egypt	1 697	70	100	-	200	290	56	2 413
Gaza/West Bank	45	-	-	-	-	-	10	55
Israel	-	345	-	-	89	-	-	435
Jordan	100	166	-	40	-	63	-	369
Lebanon	-	175	457	-	-	60	5	697
Morocco	690	170	30	300	100	845	70	2 205
Regional projects	-	-	-	-	-	-	119	119
Syria	675	95	120	-	105	150	2	1 147
Tunisia	500	74	555	110	300	704	5	2 248
Total	3 707	1 095	1 262	450	873	2 342	280	10 009



Financing facilities

Name	Type of financing	Amount in EUR	Period	Objective
ENP-MED Mandate	Mandate conferred by the Member States, from the Bank's own resources	8.7bn	1 February 2007 to 31 December 2013	- To contribute to the development of the private sector and infrastructure in the Mediterranean partner countries.
Mediterranean Partnership Facility II	Own resources	2bn	2007-2013	- To support well-defined priority projects of particular relevance to both the EU and the partner countries (regional development, sectoral policies, the environment, support for EU businesses, etc.). - To make indirect equity investments in the Mediterranean partner countries via infrastructure funds.
Risk capital and technical assistance envelope ¹	EU budget	128m	2007-2010	- To encourage the creation or strengthening of equity and quasi-equity resources for SMEs in the Mediterranean partner countries. - To help the partner countries and private promoters to improve the preparation, management and supervision of their investment projects.
FEMIP Trust Fund	Contributions from the Member States and the European Commission	34.5m	Operational since 2005	- To gain a deeper understanding of the region's major economic challenges via sectoral studies. To support the private sector by providing equity and quasi-equity finance for innovative operations or operations with an unusual risk profile.

Figure 5: FEMIP signatures in 2009 - Breakdown by sector regarding the UfM priorities



¹ Additional resources amounting to EUR 32 million a year are expected to be provided for the period 2011-2013.

The impact of the crisis on the Mediterranean partner countries



The global financial crisis and its wider economic fallout interrupted a period of robust economic performance in the Mediterranean partner countries, which had been underpinned by a favourable external environment and progress in structural reforms. The downturn in global demand took a heavy toll on exports, tourism, foreign direct investment and migrant workers' remittances. However, on account of their limited direct exposure to the 'toxic' assets that were at the epicentre of the crisis, their fairly diversified economic structure and improved policy frameworks, the Mediterranean partner countries have weathered the storm better than most of their peers. Structural reforms have continued, albeit at a slower pace than in the last few years and the banking sectors have been strengthened in several countries in the region. Yet more needs to be done to enhance the investment climate and to deepen the wider financial system and channel resources effectively to productive uses. A sustained effort to create a transparent, reliable and enforceable institutional framework remains crucial to enhancing the business environment, promoting the development of the private sector and supporting job creation.



Macroeconomic developments

The global financial crisis and its wider economic fallout interrupted a period of robust growth in the Mediterranean partner countries, which had been underpinned by a favourable external environment and gradual progress in structural reforms. Between 2004 and 2008, GDP expanded at an average rate of just under 5% in real terms and economic activity remained vibrant even in 2008, despite the worsening of the global economic outlook in the second half of the year. The crisis in fact originated in mature economies, and emerging countries - including the Mediterranean partner countries - were at first thought to be immune to it on account of their limited exposure to toxic assets and their improved macroeconomic fundamentals and policy frameworks. However, support for the 'decoupling hypothesis' waned when the crisis entered a deeper phase following the collapse of Lehman Brothers in September 2008. Risk aversion towards emerging markets spiked and the turmoil abruptly spread to those markets, hitting bond, equity and foreign exchange markets. Against the backdrop of falling demand and sharply deteriorating confidence, commodity prices were also dealt a heavy blow. It then became apparent that the impact of the

credit crunch on global demand would be harsh and that the crisis would spill over not only through financial, but also through real economy linkages, which were the main conduit of the crisis to the Mediterranean partner countries, as anticipated in last year's FEMIP Report.

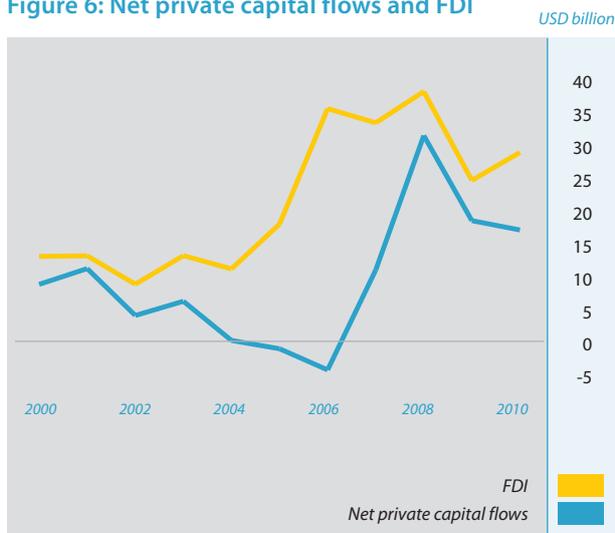
Economic activity in the region has been chiefly affected by the sharp decline in external demand on account of the export orientation of most of the Mediterranean economies and their close ties with crisis-hit Europe. Oil-exporting countries were particularly badly affected (exports posted a 40% decline in Algeria between 2008 and 2009) but even more diversified economies suffered as demand for their products weakened, with Morocco recording the second-largest fall in exports (down 24%) in the region. As a result, income growth and domestic demand also cooled down.

One of the most immediate consequences of the crisis was the drying up of international capital flows: financing on the capital markets became more difficult and was available at shorter maturities, if at all,

Sanitation project, Agadir, Morocco.

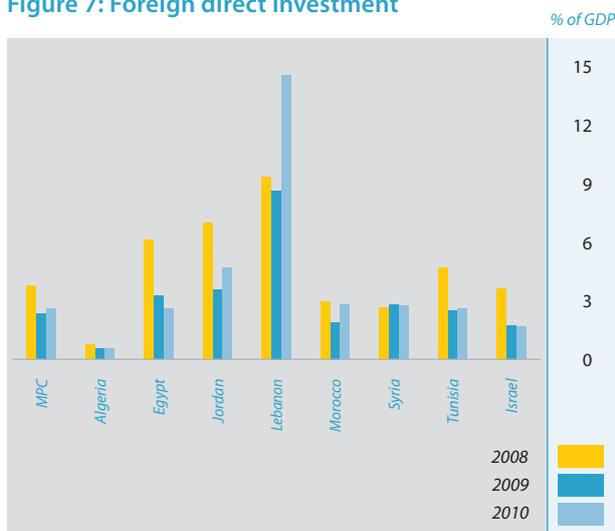


Figure 6: Net private capital flows and FDI



and was more costly. Net bank lending recorded the biggest drop but FDI, which is usually considered to be a relatively stable source of external financing and accounts for the lion’s share of capital inflows to the Mediterranean partner countries, declined by 36% in 2009, from USD 38bn to USD 25bn (Figure 6). A recovery to USD 29bn, i.e. an increase of 17%, is expected to take place this year. Net private capital flows posted an even larger drop (down 41% in 2009) and are expected to continue to decline, albeit at a slower pace, in 2010. On a positive note, it is worth emphasising, however, that despite the considerable fall experienced last year, capital inflows, including FDI, remained well above the levels prevailing during the first half of the decade.

Figure 7: Foreign direct investment



Tourism receipts were also impacted by the crisis although less than was initially anticipated, as a substitution effect seems to have compensated for the income effect (Mediterranean countries are fairly cheap destinations, particularly for tourists from European and Gulf countries). Hence, they are likely to have suffered less than long-haul luxury destinations. Indeed, according to preliminary figures from the World Tourism Organisation, receipts increased in Syria, Morocco and Tunisia in 2009, while they fell considerably in Israel and Gaza/West Bank, although the political and security situation was probably also a key factor in those countries. Looking ahead, prospects will depend on the strength and speed of the recovery in Europe. A potential risk factor is that the labour market may not yet have felt the full effect of the crisis in Europe and the lukewarm appetite for tourism may linger.

Remittance flows play an important role in sustaining consumption levels across the region – amounting to about 20% of GDP in Jordan and Lebanon, and nearly 10% of GDP in Morocco – and in Lebanon and Jordan they are crucial to cover the large current account deficit. Data on remittances are typically scarce, but preliminary indications point to a decline (4% in Jordan, 14/15% in Morocco and Egypt). However, it can be argued that remittances tend to be a more stable source of external revenue than FDI and tourism, and their decline was on average able to be contained across the region.

Notes: (1) In Figure 6 data do not include Gaza/West Bank. (2) MPC is a GDP-weighted average. Source: IMF.



Against this backdrop GDP growth slowed considerably, from 5% in 2008 to 2.8% in 2009. Yet it remained positive throughout the crisis in all Mediterranean partner countries, with the notable exception of Israel, the only advanced economy in the region with close economic and financial ties with both the EU and the US. Their very limited direct exposure to the epicentre of the financial crisis, their relatively diversified production base (record harvest in Morocco, major gas field coming on stream in Tunisia, post-conflict rebound in Lebanon and Gaza/West Bank), large reserves in oil-exporting countries (Algeria) and close links with the GCC countries (Egypt, Lebanon, Jordan) helped the Mediterranean partner countries to weather the storm.

Moreover, for some of them local political and security conditions play a greater role in shaping economic developments (Gaza/West Bank). As well as in Israel, the global downturn was felt more acutely in Jordan due to a contraction in financial services and in Egypt, where, on top of the factors mentioned above, the decline in Suez Canal revenue played a role. Overall, the Mediterranean partner countries withstood the crisis significantly better than most developing and emerging countries.

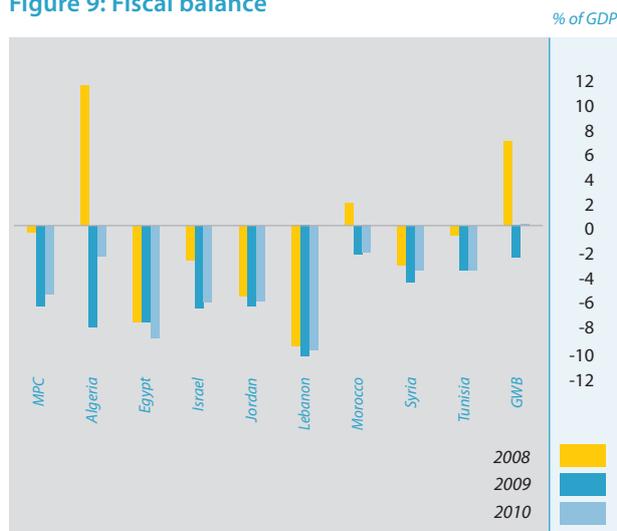
Economic activity is expected to stage a moderate recovery in 2010, with real GDP growth picking up to 3.6%. There is a risk, however, that the recovery

Figure 8: Real GDP growth

	2007	2008	2009	2010	2011
Algeria	3	3	2.1	3.7	4.2
Egypt	7.1	7.2	4.7	4.5	6
Israel	5.2	4	-0.1	2.4	4.2
Jordan	8.9	7.9	3	4	4
Lebanon	7.5	8.5	7	4	4.5
Morocco	2.7	5.6	5	3.2	5
Syrian Arab Republic	4.2	5.2	3	4.2	5.7
Tunisia	6.4	4.7	3	4	6
West Bank/Gaza	-1.4	2.3	5.5	6.5	7.5
<i>MPC average</i>	5	5	2.8	3.6	4.9
<i>World</i>	5.2	3	-1.1	3.1	4.2
<i>Advanced economies</i>	2.7	0.6	-3.4	1.3	2.5
<i>European Union</i>	3.1	1	-4.2	0.5	1.8
<i>Sub-Saharan Africa</i>	7	5.5	1.3	4.1	5.5
<i>Central/Eastern Europe</i>	5.5	3	-5	1.8	3.8
<i>CIS</i>	8.6	5.5	-6.7	2.1	3.6
<i>Developing Asia</i>	10.6	7.6	6.2	7.3	8.1
<i>ASEAN-5</i>	6.3	4.8	0.7	4	5.3
<i>Latin America and Caribbean</i>	5.7	4.2	-2.5	2.9	3.7

Source: IMF.

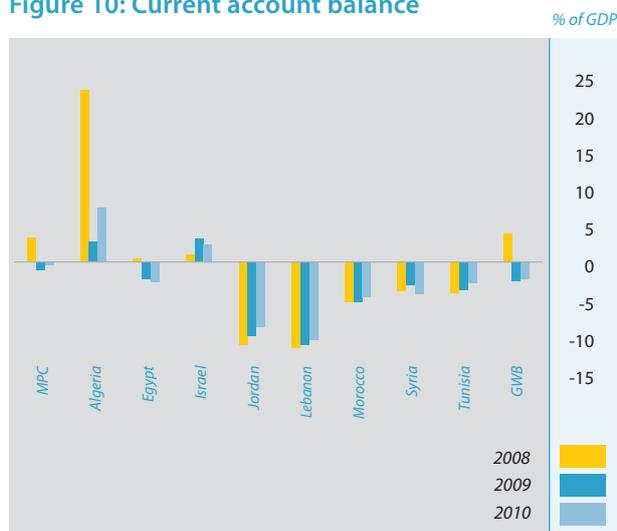
Figure 9: Fiscal balance



may prove slower and more subdued than elsewhere and that growth will not be high enough to make a dent in unemployment, which remains stubbornly high and represents a daunting economic and social challenge in most Mediterranean partner countries, particularly for young job-seekers. It can in fact be argued that those countries that were more integrated in the global supply chain (emerging Asia) were hit early on but have also been recovering rapidly. However, the Mediterranean partner countries tend to play a limited role in advanced manufacturing and were therefore less damaged by the crisis but will also recover more slowly when world demand gains speed.

Strong domestic demand and surging commodity prices through the first half of 2008 pushed regional inflation up to 8.9% at the end of 2008, from 4.8% in 2007. The outbreak of the financial crisis and the ensuing drop in economic activity and commodity prices – especially foodstuffs, which weigh heavily in the consumption baskets of the Mediterranean partner countries – triggered a considerable retrenchment of price pressure, with inflation heading down to 4.1% in 2009. It is noteworthy that inflation fell even in countries such as Egypt and Syria, where it had spiked to double-digit levels in 2008. The decline in inflation helped to support real incomes through the crisis and to prevent a sharper drop in demand. This year, price pressures should remain contained, with inflation below 4.2% by year-end.

Figure 10: Current account balance



The downturn in economic activity induced a generalised decline in fiscal revenues across the region and hence a deterioration in fiscal balances that was particularly pronounced in oil-exporting Algeria – which recorded a drop in the fiscal balance of nearly 20% of GDP after several years of surpluses – and Israel, where the downturn in output was more marked and automatic stabilisers functioned well. Elsewhere, the deterioration of the budgetary position was more contained on account of the limited stimulus programmes – the scope for which was to some extent restricted by the high-deficit debt prior to the crisis (Egypt, Jordan and Lebanon) – weak automatic stabilisers and lower food and oil subsidy bills.

Note: MPC average is GDP-weighted.
Source: IMF.



The worsening of the regional current account balance was considerable, although less dramatic than the fall in fiscal accounts, mainly as a result of the large swing in Algeria's current account position. On the other hand, oil-importing countries benefited from lower oil and food prices and the decline in their exports was generally more than offset by a drop in imports, which also stemmed from lower domestic demand. The only exception to this regional trend was Egypt, where the simultaneous contraction of several sources of foreign exchange earnings (exports, remittances, oil, tourism, Suez Canal) dealt the current account a considerable blow. Though improving, the external deficits of Jordan and Lebanon remain large. This situation, compounded by weak fiscal positions, leaves these countries vulnerable to setbacks in market sentiment and exogenous shocks.

The financial sector

Banks dominate the financial landscape of the Mediterranean partner countries. The banking sector has developed reasonably well over the last few decades, with broad money increasing since the beginning of the decade to reach nearly 100% of GDP in 2008 and well above the average for middle-income countries (74%). Bank deposits are also quite high, averaging around 70% of GDP in 2007 (94% when Lebanon is also included). More generally, banking activity has been expanding over the last few years: increased oil-related liquidity in the wider North African and Middle Eastern region has had positive spillovers for the Mediterranean partner countries and contributed to spurring both deposit and credit growth. Yet financial intermediation has developed unevenly across countries, with Israel, Jordan and Lebanon featuring well-developed banking sectors, while Syria and Algeria are lagging behind. Somewhere in between, Egypt, Tunisia and Morocco have made big strides in recent years to promote the development of the financial sector.

Figure 11: Broad money

(M2 as a % of GDP)

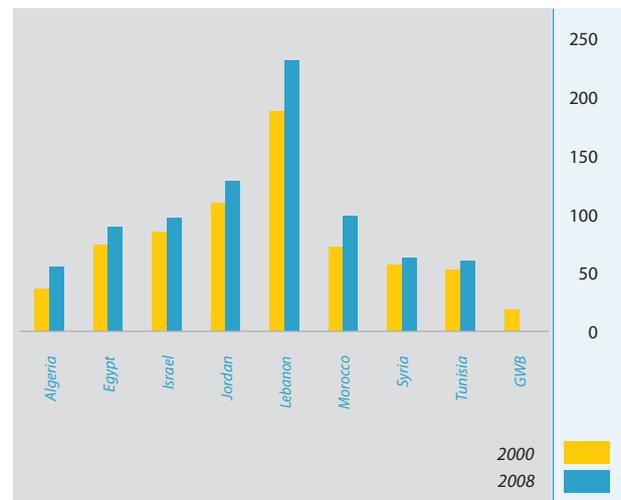
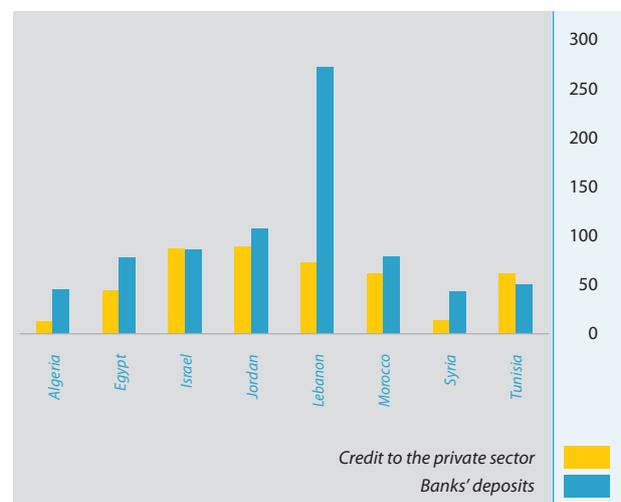


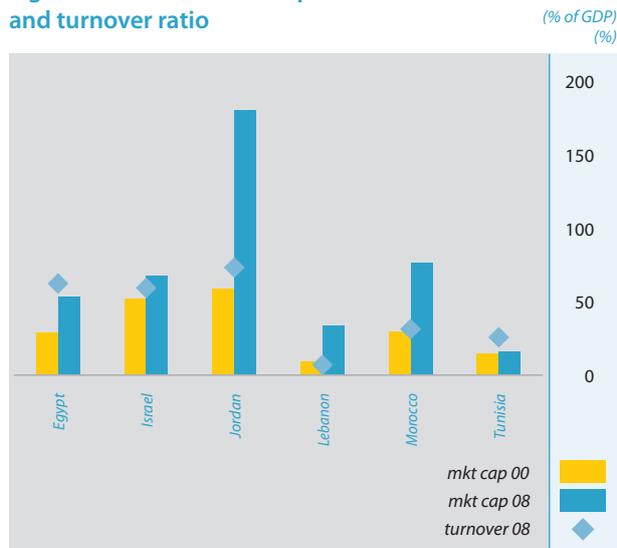
Figure 12: Credit to the private sector and banks' deposits

(% of GDP - 2007)



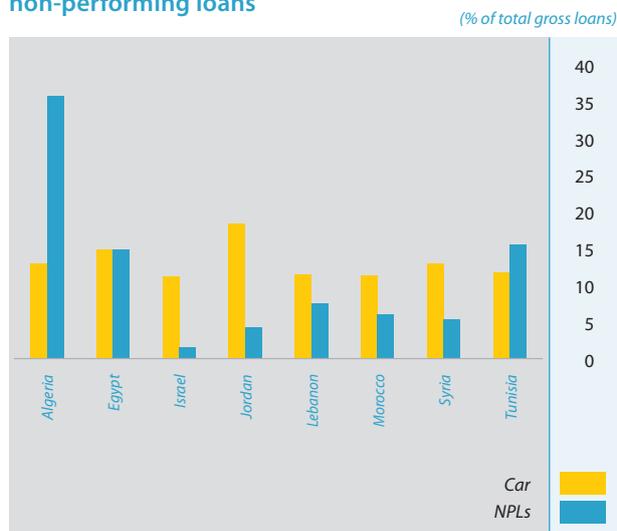
Source: World Bank.

Figure 13: Stock market capitalisation and turnover ratio



Despite significant improvements in recent years, the banking sector has yet to become an effective tool for channelling resources towards productive use. Access to credit remains challenging in several Mediterranean partner countries, hence constraining private sector investment and ultimately growth. Credit to the private sector is relatively high in Israel, Jordan and Lebanon as well as in Morocco and Tunisia. On the other hand, it is rather low in Algeria and Syria, where the vast majority of banks are in public hands and the role of the state in the economy is pervasive. Investment climate surveys conducted throughout the region by the World Bank show that access to finance, and the cost of this finance, is often cited as a major constraint to private economic initiatives. Moreover, while bank assets as a share of GDP have been increasing, lending has not followed suit and the ratio of loans to total assets has decreased over the last decade and is now around 60%. This 'divide' between banks and the real economy is even more acutely felt by small enterprises.

Figure 14: Capital to risk-weighted assets and non-performing loans



The underdevelopment of the non-bank financial sector is an important factor behind difficult access to finance. While buoyant economic activity and abundant capital inflows from oil-rich neighbouring countries have contributed to boosting stock prices across the region – market capitalisation as a ratio of GDP surged in most countries from an average of 32% in 2000 to 110% in 2007 – the issuance of new shares/new listings has been far less impressive and the stock exchanges in the Mediterranean partner countries tend to be characterised by few listings, typically of large privatised companies. Therefore, the role of equity markets as a source of financing for the corporate sector is still limited. Bond markets, and the corporate bond market in particular, are dormant – with few exceptions – while the venture capital industry remains small in both the size of the investments and the number of players. All in all, in spite of recent gains, non-bank finance is not seen as a vehicle for smaller firms to raise capital. Further developing financial intermediation will not only inject a healthy dose of competition into a bank-dominated system but will also provide new avenues for enterprise financing.

Source: IMF and World Bank.



The dominant position of state-owned banks in some Mediterranean partner countries has also played a role, not only because a substantial share of credit has been directed to the public sector, leaving little scope for private sector lending, but also because it has hindered competition and the development of a strong credit culture. High risk aversion and centralised credit allocation are common features of state-owned banks, which have traditionally found it easier to lend to a few large borrowers capable of providing solid collateral rather than venturing into the more dynamic but also more uncertain domain of SME financing. For their part, banks in the region argue that the lack of reliable financial information and, most importantly, of bankable and good-quality investment opportunities is the main cause of limited enterprise financing.

Banks in the Mediterranean partner countries are generally well capitalised (the average for regulatory capital to risk-weighted assets is 13%, reaching nearly 18% in Jordan) and profitable, with return on assets (ROA) trebling between 2003 and 2007 and the return on equity (ROE) more than doubling over the same period. However, profitability levels compare unfavourably to other emerging countries on account of the large proportion of non-performing loans (NPLs) and a narrow, conservative range of activities. Moreover in 2008, following the outbreak of the crisis, both indicators posted considerable declines in most Mediterranean partner countries and dramatically so in Israel, reflecting the stress the banking sector is experiencing. Bond market and equity valuations also suffered at the peak of the crisis, particularly in those countries where trading is active. The average stock market capitalisation declined from 110% of GDP in 2007 to 70% in 2008, with the biggest drop taking place in Israel (down 76%), Jordan (down 70%) and Egypt (down 54%).

Overall, however, the financial sector of the Mediterranean partner countries has proved resilient to the crisis on account of its very limited exposure, if any, to toxic assets. In the context of strict regulation and high risk aversion, banks in Mediterranean partner countries in fact tend to follow a rather conservative and unsophisticated approach with respect to funding

Figure 15: ROA

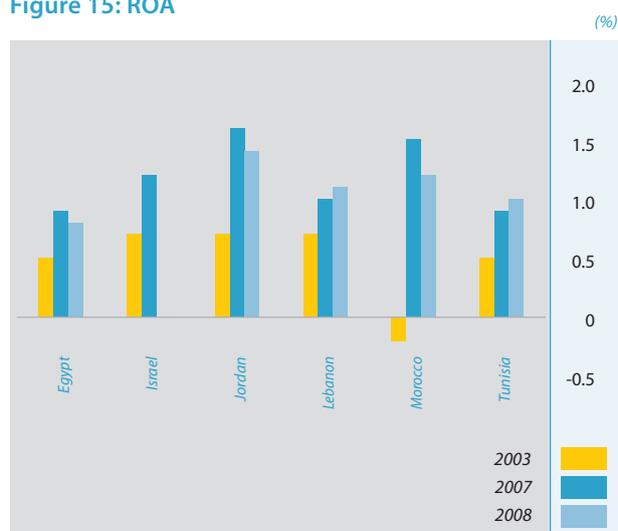
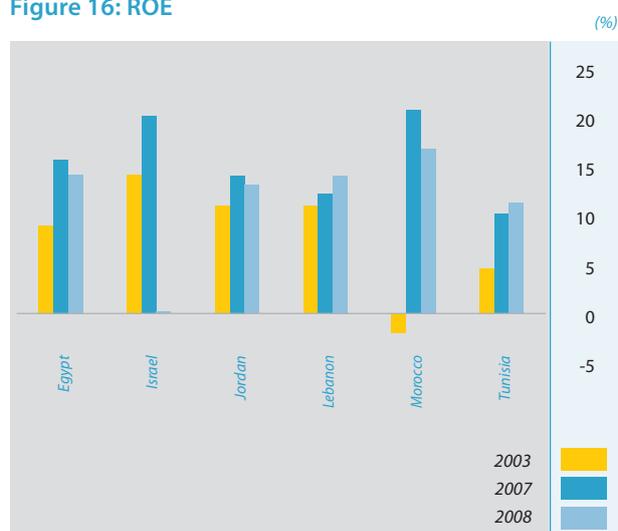


Figure 16: ROE



Source: IMF.



Private enterprises benefit from the EIB's equity and quasi-equity investments.

(which relies essentially on domestic deposits), asset management and lending. Moreover, their integration with international financial markets is rather limited, with a few notable exceptions, leaving little scope for direct financial exposure to the crisis. It is noteworthy that deposits have remained stable during the crisis, illustrating the confidence of the public in the regional banking system.

At this stage the main risk for the banking sector in the region is the possible deterioration of the quality of loan portfolios that could follow a prolonged economic slowdown, particularly for those countries that already have a high share of NPLs. Despite recent improvements in asset quality (NPLs declined from 17.5% of total loans in 2000 to 6% in 2008 in Morocco and from 18.4% to 4.2% in Jordan) a few countries already had a

high proportion of NPLs prior to the crisis (NPLs hovered around 18% of GDP in Egypt and Tunisia in 2006-7 and well above 20% in Algeria), in some cases accompanied by relatively low levels of provisioning. In addition, the increase in credit expansion in the run-up to the crisis may have contributed to the decline in NPLs, and a deterioration in the quality of the loan portfolio cannot be ruled out as long as uncertainty prevails and the impact of the crisis on the real economy is still unfolding. In this connection banks' exposure to specific sectors such as tourism and real estate, which have boomed in recent years in Egypt, Jordan, Lebanon and Morocco, is an additional cause for concern. It remains true that even in these countries the banking sector has not generated the type of structured finance instruments that are held responsible for the financial crisis in mature economies.



Structural reforms

Trade reforms

The Mediterranean partner countries are fully aware of the importance of achieving greater integration in the world economy and have been taking major steps in this direction over the last few years, including several agreements to enhance bilateral and regional trade as well as trade policy reforms and greater competition. Remarkable progress towards trade liberalisation has

been achieved, with trade tariffs posting considerable declines. Despite these successes, average tariffs remain high in comparison to other regional groupings and non-tariff barriers are likewise elevated. Overall, there is still ample scope for enhancing trade logistics and improving the quality of customs and the efficiency of transport facilities.

Figure 17: Trade policy in 2008

Country/region	Average tariff	Average time for clearing exports (index)	Average time for clearing imports (index)	Overall trade policy
Algeria	18.6	67	50	43
Egypt	16.7	77	76	64
Jordan	11.2	59	53	56
Lebanon	6.9	30	20	39
Morocco	23.0	77	68	56
Syria	19.4	72	57	50
Tunisia	26.8	67	50	41
MPC	17.5	64	53	50
East Asia and Pacific	8.7	47	50	59
Europe and Central Asia	7.3	50	51	46
Latin America and Caribbean	9.3	59	57	64
South Asia	14.3	31	33	32
Sub-Saharan Africa	12.8	36	27	27
High-income OECD	5.6	84	85	92
World	10.1	50	50	50

Source: World Bank.

Note 1: Regional averages are simple averages.

Note 2: The index shows a country's average tariff (export clearance/import clearance/overall trade policy) to the world by calculating its position in a worldwide distribution of countries according to that trade indicator, where 100 reflects the economy with the "best" trade policies and 1 reflects the economy with the "worst" trade policies. In contrast with previous years, the trade policy index compiled by the World Bank this year uses the new World Tariffs profiles, according to which non-ad valorem duties have been converted into their ad valorem equivalent. Comparison with previous years' indices is therefore no longer possible.

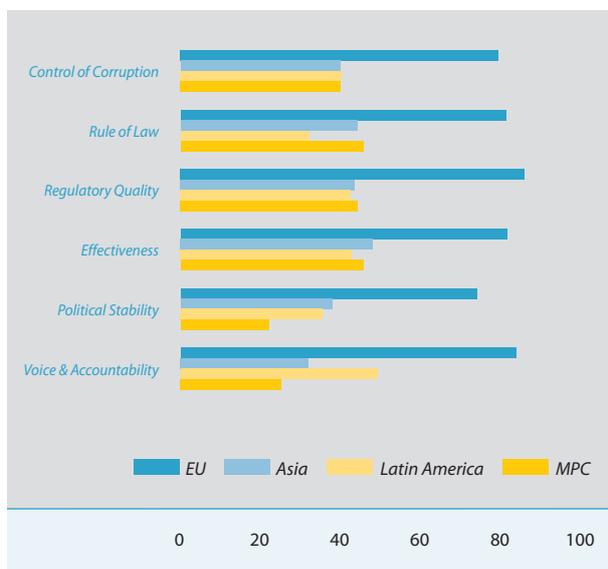
Figure 18: Doing business

(change in ranking 2006-08; + sign means improvement)



Indeed some peculiar structural features of the Mediterranean partner countries' economies seem to have so far hindered significant gains in competitiveness and diversification. While the way in which goods are produced and traded worldwide has changed dramatically in recent years, the Mediterranean partner countries have failed to become integrated into cross-border production networks because of high logistics and transport costs, poor regional integration (which, based on the experience of many Asian countries, may lead to important economies of scale) and low levels of investment, including FDI, in manufacturing. Continued efforts to further expand and diversify trade will therefore be crucial over the next few years. Moving to higher-productivity activities will also be critical for the region as the potential for remaining competitive in low-technology activities is limited. Reducing barriers to trade will help promote regional integration, which, in turn, can provide the necessary economies of scale to participate in global production networks.

Figure 19: Governance indicators 2007



Business climate and governance reforms

Enhancing the business climate and creating a simple, transparent, reliable and enforceable framework for investment and business remain key to promoting the development of the private sector and boosting job creation. Over the past few years, the Mediterranean partner countries have moved ahead with reforms aimed at creating a more business-friendly economic and institutional environment. However, 2009 was a disappointing year for reforms in the region, possibly as a consequence of the crisis, as shown by the decline in the overall index of the ease of doing business. On a positive note, Egypt continued in its reform efforts, advancing by another eight positions in the world ranking (it was one of the world's top ten reformers last year and the number one reformer two years ago), making it easier for enterprises to start up a business, get credit and deal with licences. The region's other leader in reforming regulations is Tunisia, which advanced four steps compared with the previous year by making commendable improvements in protecting investors. Despite these successes, the business climate

Source: World Bank.



in the Mediterranean partner countries can still be significantly improved. Paying taxes remains extremely cumbersome in Algeria and, to a lesser extent, Tunisia; getting credit and starting a business remain difficult in Jordan and Syria; dealing with licences is problematic in Egypt, Lebanon and Israel, where registering property is also another crucial area of difficulty in doing business; and Morocco continues to suffer from high hiring costs and a significant lack of investor protection.

The Mediterranean partner countries have also taken steps to enhance governance in the region, focusing on public administration reforms with a view to improving efficiency in the delivery of public services by fighting corruption, streamlining bureaucracy, strengthening the judiciary and enhancing property

rights². Between 2004 and 2008, all countries in the region, with the exception of Lebanon, managed to reinforce political stability, and Algeria also improved control of corruption. Israel and Jordan enhanced government effectiveness, albeit marginally, while regulatory quality was notably improved in Egypt and Israel. However, no progress was achieved in terms of enhanced voice and accountability, while Israel and Jordan were the only countries to advance on the rule of law front. All in all, the Mediterranean partner countries have not kept pace with the rest of the world in reforming governance. In particular, they still lag behind Asia in almost all aspects of governance (Figure 19), but in terms of government effectiveness, regulatory quality and rule of law they perform better than Latin America.

² For a more detailed analysis, refer to the World Bank's 2008 Economic Development Prospects – MENA Region.



Casablanca-EL Jadida motorway.

“Boosting business in the Mediterranean: Entrepreneurs’ success stories”

The Euro-Mediterranean area will not be built solely at the political and institutional level but also by the businessmen and women who are living it on a daily basis.

In order to show that the Euro-Mediterranean area is an incontrovertible economic reality that is being built piece-by-piece, the EIB, the European Commission and the MedAlliance³ consortium produced and published a brochure that gave businessmen who have invested successfully in the partner countries the chance to have their say.⁴

The experiences of these entrepreneurs show that this Euro-Mediterranean industrial integration is not a dream. Above all, these entrepreneurs’ success stories highlight the fact that the Mediterranean is a land of opportunity with huge potential for development.

The brochure “Boosting business in the Mediterranean: Entrepreneurs’ success stories”, which was published in July 2009, was widely distributed throughout the Euro-Mediterranean area. A number of extracts are given below.



Manuel J. Valverde Delgado
General Manager, Abener Energía, Spain

“Worldwide, there is a lack of awareness about what solar technology can do. If you talk to people about solar power, they think of small solar panels, and almost never of enormous power plants that can supply enough electricity for a whole country. And probably tomorrow a whole continent. . .

Constructing a giant solar plant in the Algerian Sahara represents a huge challenge for Abener, but I have total confidence in the future success of this outstanding project!”

Evaggelia Milona
Vice-President of Alumil Group S.A., Greece

“Alumil, a company specialising in architectural aluminium systems, has full confidence in the great potential of North Africa and the Middle East. That is the reason why we intend to keep looking towards the southern shore of the Mediterranean for our international expansion.

The Maghreb and Mashreq countries are strategic targets for us, both as customers, because of their resources and large investment plans, and as competitive production areas with affordable labour costs.”



³ The MedAlliance consortium consists of ANIMA, BusinessMed, EUROCHAMBRES and ASCAME, together with members of those networks and special partners.

⁴ Published on the EIB website at <http://www.eib.org/projects/documents/boosting-business-in-the-mediterranean.htm>.



Montasser Abdellatif
Market Communications Manager, Palestine

"The G.ho.st Virtual Computer allows users to access their entire desktop, files and programmes from any internet browser or mobile phone free of charge and with absolutely no installation or administration.

The G.ho.st team is a unique Palestinian-Israeli collaboration. It aims to bring employment, skills and hope to a troubled area and to increase dialogue between Palestinians and Israelis.

G.ho.st is the real model for peace. We hope that this ambitious technology project can help to grow the Palestinian IT sector and that this sector can become one of the pillars of the Palestinian economy."



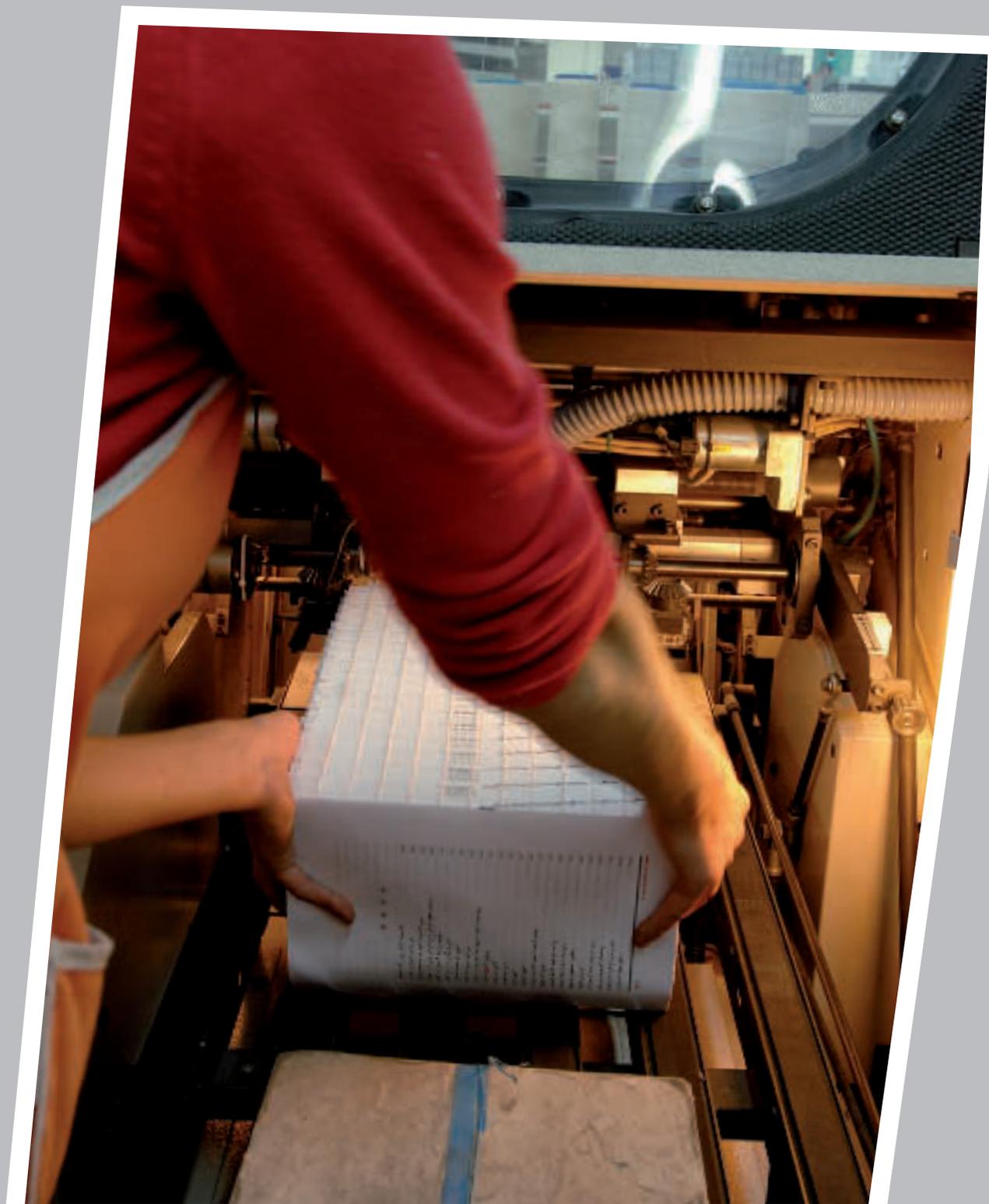
Zvi Schreiber
CEO, Israel

Brian O’Cathain
Chief Executive, Petroceltic International, Ireland

"Because it believes in the great potential of the Maghreb, Petroceltic has invested the time and energy to build strong and lasting relationships at all levels in Algeria and Tunisia. We have a team of highly experienced professionals who are well-respected and we continue to enjoy the support and encouragement of our host governments and their respective hydrocarbon-related institutions. We believe in partnership and see it as the key to unlocking the hydrocarbon potential of the Maghreb."



Activities in 2009



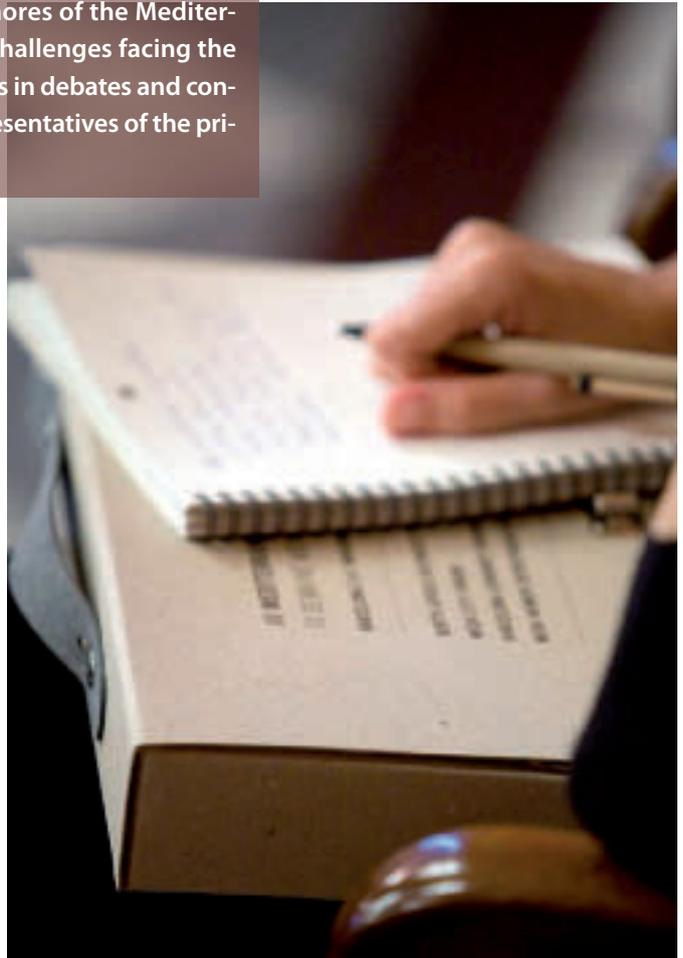


FEMIP leading the debate

FEMIP not only finances projects in the Mediterranean region but also encourages dialogue between the two shores of the Mediterranean. In fact, to understand and tackle the challenges facing the Euro-Mediterranean region, the Facility engages in debates and conferences at the institutional level and with representatives of the private sector and civil society.

An opportunity for the partner countries to contribute to the debate and the financing strategies.

An opportunity for FEMIP to take stock, move forward and build on the initiatives.



4-6 March 2009, Rabat
5th FEMIP Conference
examines the needs of
Mediterranean SMEs

Small businesses are the drivers of growth and job creation. Nevertheless, in the Mediterranean partner countries they face problems in obtaining bank loans to finance their expansion and fulfil their potential.

“Examining the needs of Mediterranean SMEs along their business cycle” was the topic of the fifth FEMIP Conference. It took place in Rabat in conjunction with the second “Regional Forum on the Investment Climate in the Southern Mediterranean Region and the Middle East”, an event jointly organised by the European Commission, the European Investment Bank, the World Bank, and the IFC, in collaboration with the Moroccan Ministry of General and Economic Affairs.

Fostering the development of SMEs is a major challenge and one of the six main priorities of the Union for the Mediterranean.

FEMIP conference on water, Monaco, May 2009.



The two meetings brought together local and international experts to discuss key approaches to creating an appropriate investment climate. They provided a valuable opportunity to share knowledge, regional and global experience and best practice to accelerate reforms and create an enabling and business-friendly investment climate in the region.

With regard to the SME Conference, four practical conclusions emerged from the discussions: (a) there is a need to better inform SMEs about available bank finance and how to access it; (b) FEMIP should diversify its product offering, helping small firms to invest in R&D and trade internationally; (c) FEMIP should continue to help channel migrants' remittances through banks by supporting banking products tailored to the needs of migrants; and (d) the local banking system needs to be modernised through better in-bank training and technical assistance, which would help banks to develop credit risk assessment tools and strengthen their SME financing capacity.

**10-11 May 2009,
Monaco**

**Managing water in a
changing world**

Following the request of Euro-Mediterranean Finance Ministers who met in Luxembourg in October 2008, FEMIP organised a conference addressing sustainable water financing and climate change in the Mediterranean region.

At a time of uncertainty as a result of the international crisis and the realities of climate change, the scarcity of water is adding a new dimension of complexity to the current situation. Studies focusing on the Mediterranean show that the region is and will continue to be more vulnerable to climate change than any other region in the world during the 21st century.

Therefore, addressing the future of water in the Mediterranean region was crucial for FEMIP. The goal of the Conference was to contribute towards the further development of a Mediterranean Water Strategy. Three main themes were addressed in Monaco: Sustainable cost recovery and financing of water services; the challenges of water scarcity and climate change in the Mediterranean; and the role of the private sector in improving water efficiency and accessibility.



12 May and
14 December 2009,
Luxembourg

FEMIP Committee
meetings

The FEMIP Committee brings together representatives from the Member States, the UfM partner countries and the European Commission two to three times a year. It is charged with the task of putting forward practical and operational recommendations to FEMIP's Ministerial meeting and thus providing guidance for FEMIP's activities.

Two FEMIP Committee meetings were held in 2009 at the EIB's headquarters. The first, held in May, discussed the outcomes and follow-up of previous FEMIP conferences and prepared the work of the FEMIP Ministerial meeting. The second, held in December, discussed ongoing and completed FEMIP Trust Fund studies, such as the "Mediterranean Business Development Initiative" and the "Identification and Removal of Bottlenecks for extended Use of Wastewater for Irrigation or for other Purposes".

7 July 2009, Brussels

9th FEMIP Ministerial
and 2nd UfM-ECOFIN
meetings

Co-chaired by the Swedish EU-Presidency and the Egyptian/French Co-Presidency of the UfM, the two meetings were attended by representatives from the EU Member States and UfM partner countries.

The UfM-ECOFIN meeting analysed the EU's and partner countries' response to the financial crisis and the progress achieved with regard to their respective reform agendas. Ministers welcomed the forceful and coordinated action to stabilise the financial sector and the stimulus measures to support economic growth taken in the Euro-Mediterranean region.

The FEMIP Ministerial meeting endorsed the FEMIP Operational Plan 2009 - 2011 and its priority sectors, especially with regard to the objectives of the UfM. Ministers underlined FEMIP's role as the key player in the Euromed Partnership and UfM and stressed that its mandate should be reinforced and widened in order to provide for additional funding.

8-9 October 2009,
Marseille

"Medinas 2030
Initiative",
for a strategic and
sustainable vision
of the medinas

On 8 and 9 October, the EIB hosted a seminar on the Rehabilitation of Historic Cities in the Mediterranean, as part of the EIB's "Medinas 2030" initiative. This event, organised as part of the "Mediterranean Economic Week" in Marseille, was attended by town planners, architects, economists, sociologists and experts from international organisations such as UNESCO and the World Bank.

The initiative itself had emerged a year earlier during an international conference on historic cities in the countries of the southern and eastern Mediterranean at the Venice Biennale Architettura. Its aim was to set up an integrated investment programme for the regeneration of the medinas.

In fact, the historic centres of southern and eastern Mediterranean cities have been marginalised due to the deterioration of their infrastructure and the

emergence of new urban hierarchies. They are undergoing irreversible changes that significantly alter their cultural and social role.

The seminar was the starting point for a far-reaching debate, intended to lead to the implementation of investment projects supporting the revitalisation of historic urban centres.

October 2009, Alcazar library, Marseille

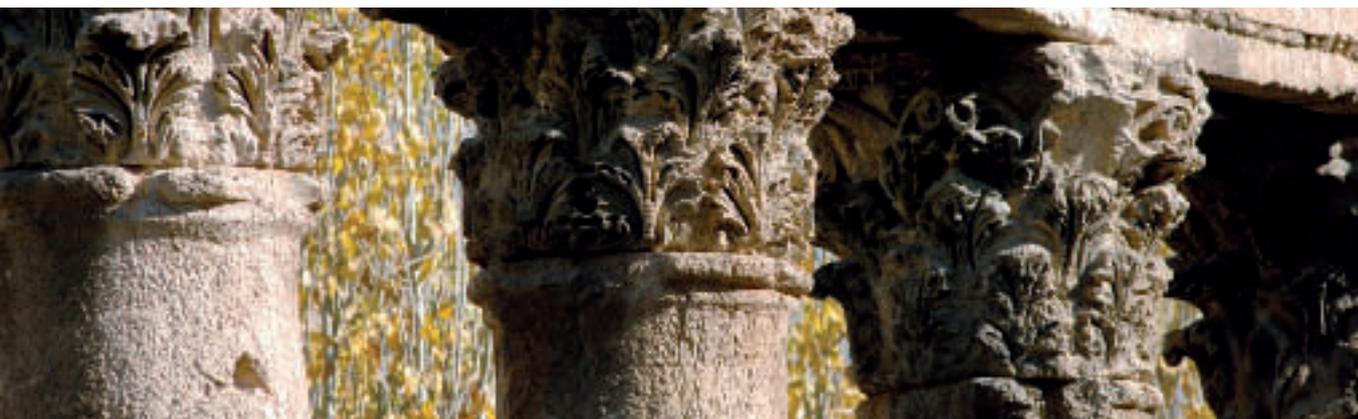
'Medinas 2030' exhibition

Housed in the Alcazar regional library in Marseille, the exhibition featured a number of historic Mediterranean and European city centres that have been rehabilitated. The objective was to draw the attention of the public to the importance of medinas, which play a vital role in preserving the cultural and social heritage of Mediterranean countries.

The inauguration of the exhibition on 8 October was accompanied by a press conference and attended by public figures from the worlds of culture and the media as well as those taking part in the Medinas 2030 seminar.

This travelling exhibition was presented in Barcelona and Luxembourg and will subsequently be staged in a number of cities around the Mediterranean.

Preserving heritage.



The EIB's expertise in funding urban development

The EIB has developed acknowledged expertise in funding urban development throughout the European Union. In particular, it has been involved in financing the rehabilitation of old or historic urban centres, as in Granada.

In the southern Mediterranean, FEMIP is active in the urban sector. It finances projects involving the environment, sanitation, transport and social housing.



The Trust Fund: reinforcing FEMIP



Since its creation in 2004, the FEMIP Trust Fund (FTF) has proved to be an invaluable asset as far as the Bank's activities in the region are concerned. It has been operating fully as a think tank by financing research in new areas that are likely to help the private sector in the region to flourish. Committed to strengthening FEMIP, the Fund continues its action in this direction.

Figure 20: Donors' contributions to the FEMIP Trust Fund

	Member States	TOTAL (EUR '000)
	Austria	1 000
	Belgium	1 000
	Cyprus	1 000
	European Commission	1 000
	Finland	1 000
	France	4 000
	Germany	2 000
	Greece	2 000
	Ireland	1 000
	Italy	2 500
	Luxembourg	1 000
	Malta	1 000
	Netherlands	2 000
	Portugal	1 000
	Spain	10 000
	United Kingdom	3 016
	Total at 31 December 2009	34 516

The main objective of the Fund is to foster the development of the private sector in the Mediterranean region. To attain this objective the FTF acts on two fronts: it targets upstream technical assistance through the financing of sectoral studies, and supports the private sector through the financing of private equity operations.

The FEMIP Trust Fund's Assembly of Donors represents all FTF donors and meets several times a year to discuss, analyse and approve operations. Proposals for sectoral studies, technical assistance or private equity operations can be submitted by partner countries, donors and promoters.

In 2009, the FTF Assembly of Donors approved eight operations for a total volume of EUR 7.3 million, including a EUR 5 million private equity operation in the Palestinian Territories signed in December 2009. This brought the total number of approved operations to 33 net of cancellations, for a total volume of EUR 19 million. In total, EUR 12 million was committed to finance upstream studies and technical assistance and EUR 7 million to finance two private equity operations.

A list of the approved FEMIP Trust Fund operations is provided in the annexes.

Study to prepare an urban renewal operation in the historical centre of Meknes

A EUR 400 000 study is in preparation for a potential pilot operation involving investments in historical centres in Morocco. It is aimed at supporting sustainable urban regeneration and renewal of the Tizimi neighbourhood in the medina of Meknes. It is expected that it will be able to be replicated in other historical centres throughout Morocco and possibly throughout the region.

This pilot study is considered to be a pivotal part of the Medinas 2030 Initiative. At the FEMIP Medinas 2030 Conference held on 8 and 9 October in Marseille a consensus was achieved among those multilateral and bilateral donors who were present to further pursue the Medinas 2030 Initiative.

The results of the study are expected to be available at the beginning of 2011.

Technical assistance to TUNINVEST to establish a network of business angels

The purpose of this EUR 190 000 technical assistance operation is to help set up Tunisia's first business angel network and give it a sufficiently high profile to encourage the expansion of this type of scheme throughout the country.

In fact, Tunisia has a proactive policy of stimulating the creation and development of innovative enterprises involving subsidies, business incubators and risk capital funds. However, the financing requirements of start-up firms in the Mediterranean hamper their development. This is particularly the case with innovative enterprises, which are exposed to higher levels of risk.

Business angel networks have proved to be a useful and effective alternative in this region, which is inadequately covered by private equity. Business angels are individuals who invest part of their assets in an innovative enterprise that has potential. Combining funding resources and expertise, business angels provide support to start-up managers in terms of both equity and human capital.



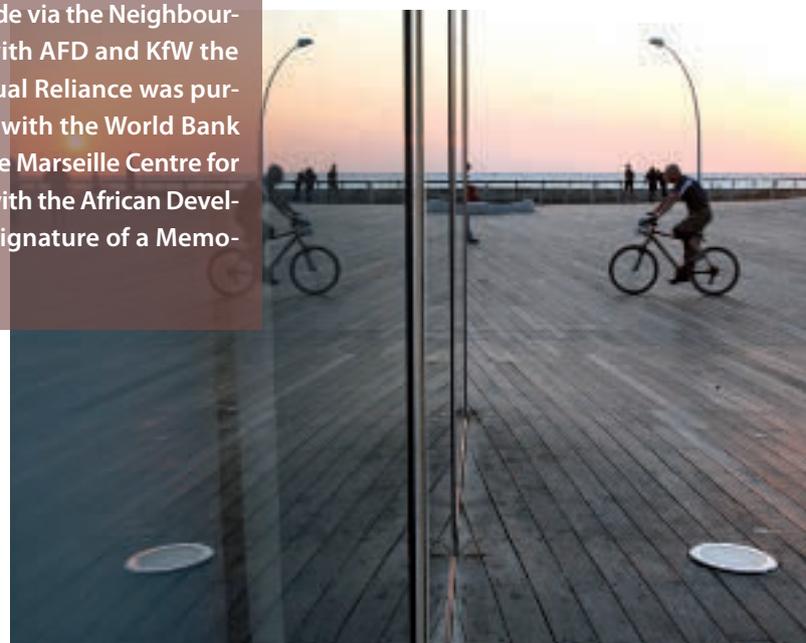
Full speed ahead for cooperation with partner institutions

Cooperation with the EC, bilateral agencies and development banks continued to grow and an effort was made to achieve maximum synergies. With the EC, significant progress was made via the Neighbourhood Investment Facility (NIF), and similarly with AFD and KfW the preparation of a Tripartite Agreement on Mutual Reliance was pursued. FEMIP also stepped up its collaboration with the World Bank and other partners through the launching of the Marseille Centre for Mediterranean Integration, while cooperation with the African Development Bank was strengthened through the signature of a Memorandum of Understanding.

The establishment of the Neighbourhood Investment Facility in 2008 was a significant development, leveraging considerable amounts of financing from the eligible European finance institutions for public infrastructure projects throughout the Neighbourhood region. The NIF is designed to mobilise additional resources for funding neighbouring regions' infrastructure investment needs, especially in the transport, energy, environmental and social sectors.

As one of the main development finance institutions active in the region, the Bank has been an important partner of the NIF. The Bank is co-financing 18 of the 25 projects approved in the first two years of operations by the NIF Board, potentially providing EUR 1.6 billion of financing to these projects and thus being the most important financier in terms of volumes lent to NIF projects since the inception of the Facility. In 2009, five operations amounting to EUR 405 million were co-financed through the NIF.

In its role as Financial Manager of the NIF Trust Fund, which saw its first operations materialise in 2009, the



Bank, working closely with the EC and the Member States, was also glad to lend its expertise and know-how to ensure efficient management.

The cooperation with AFD and KfW was reinforced through the preparation of a Tripartite Agreement on Mutual Reliance signed at the beginning of 2010. By establishing the Mutual Reliance Initiative the three institutions are seeking to delegate tasks on a reciprocal basis to the lead financier. To date, 10 pilot projects have been selected for the Mediterranean region, all of them stemming from the commonly established NIF project pipeline. In 2009, six projects amounting to EUR 570 million were co-financed with AFD and/or KfW in the FEMIP region.



Dead Sea, Israel.

Policy coordination

Policy coordination with peer institutions was reinforced throughout 2009, especially with regard to the priority sectors of the Union for the Mediterranean.

The Bank actively contributed to the UfM Ministerial Conference on Sustainable Development, which took place on 25 June in Paris. At the Conference, the EIB, KfW and AFD announced their collaboration on the Mediterranean Solar Plan Cooperation Mechanism, under which they will earmark a total amount of EUR 5 billion to promote renewable energy and energy efficiency projects in the Mediterranean partner countries for five years starting in 2010.

With regard to the depollution of the Mediterranean, the Bank organised two coordination meetings with AFD, KfW, the European Commission, the World Bank and UNEP-MAP in 2009 to present the work of the Mediterranean Hot Spot Investment

Programme – Project Preparation and Implementation Facility. In addition, the Bank participated in the 3rd Horizon 2020 Steering Group meeting, which took place on 13 October in Dubrovnik. It also took part in the deliberations of the Water Experts' Group in Athens (7 and 8 September) and Cairo (4 November) and in the Joint Egyptian-Dutch Water Conference "Towards the New Long-Term Strategy for Water in the Mediterranean" in Cairo on 2 November.

Insofar as the transport sector is concerned, in close cooperation with the European Commission, a Working Group on Infrastructure and Regulatory Issues is currently focusing on the preparation of the Euro-Med Ministerial Transport Conference, which is scheduled to take place in mid-2010. The main activities concern the mid-term review of the Regional Transport Action Plan, which was commissioned by the Euro-Mediterranean Ministerial Transport Conference (Marrakesh, December 2005), and the follow-up for a shortlist of priority projects.



Launching of the Marseille “Centre for Mediterranean Integration”

On 9 October the European Investment Bank, together with the World Bank and the Governments of Egypt, France, Jordan, Lebanon, Morocco and Tunisia and the City of Marseille, launched the Marseille Centre for Mediterranean Integration (CMI).

The Centre reflects the desire of international development players and those in the northern and southern Mediterranean countries to join forces to support public policy reform in priority development sectors in the Mediterranean partner countries.

In total, some twenty partners will contribute to the implementation of the Centre’s research and fifteen technical assistance programmes. These will cover five sectors: urban spatial development; sustainable development and tackling climate change; logistics; human capital (skills, employment and mobility of workers, including the young); and the knowledge economy (support for innovation and SMEs).

The EIB, as a founder member of the Centre, will be directly involved in the implementation of six activities of the fifteen programmes on the Centre’s agenda:

- renovation of the urban heritage (Medinas 2030 initiative);
- the organisation of the transport logistics system in the Mediterranean (“Logismed” initiative);
- the financing of innovation and support for science park development policies.

At the same time, the Bank is actively contributing to three other programmes: the planning and development of sustainable urban transport; support for basic and vocational training policies; and sustainable water management policies.

Inauguration of the Marseille Centre for Mediterranean Integration, October 2009.



Co-financed projects

On aggregate, co-financing amounted to almost 70% of the EUR 1.6 billion signed (12 operations out of 20).

Figure 21: EIB co-financed projects in 2009 in EUR m

Country	Project Name	Sector	EIB	IFC	KfW	AFD	IBRD	AFESD	PROPARCO	AfrDB	OFID	BID
Egypt	IWSP	Environment	70		69	40						
Egypt	WIND FARM GULF OF EL ZAYT	Energy	50		192							
Jordan	SOUTH NORTH WATER CONVEYOR	Environment	166			100		33	100			
Lebanon	KESRWAN WATER AND WASTEWATER PROJECT	Environment	70			20						
Morocco	AUTOROUTES DU MAROC VI (MAROC)	Transport	225									
Morocco	PRET CADRE SECTEUR EDUCATION MAROC	Health, Education	200			50	80			75		
Morocco	TRAMWAY RABAT-SALE	Transport	15			45		119				
Syria	SYRIAN CEMENT COMPANY	Industry	105						30			
Tunisia	AEROPORT ENFIDHA	Transport	70	199					30	70	20	
Tunisia	TUNISIAN INDIAN FERTILIZERS	Industry	130					70				150
Regional	MENA JOINT INVESTMENT FUND	Financial sector	10	20								
Regional	SWICORP INTAJ CAPITAL II FUND	Financial sector	10	20				70	10			

Enfidha airport, Tunisia.





How does FEMIP invest?

FEMIP offers the Mediterranean partner countries a wide array of financial products. Three main types of product are made available: loans, private equity and technical assistance. The Bank is also considering the possibility of providing finance in the form of guarantees.

Loans

Long-term loans account for the lion's share of FEMIP's operations in the Mediterranean partner countries. FEMIP loans contribute to the development of the partner countries' economic infrastructure, with priority being given to expanding the private sector and creating a business-friendly environment. Here the EIB has acquired wide experience in project financing under fairly advanced techniques that have acted as a catalyst for additional funding and thus provided both sponsors and financiers with strong value added.

EIB credit lines help to develop small and medium-sized enterprises via credit lines granted to commercial banks or development financing institutions, which then on-lend the funds to their own customers. The Bank also finances large-scale projects through individual loans that help to develop the economic infrastructure of the Mediterranean partner countries.

For projects involving a level of risk in excess of that which is generally accepted by the EIB, FEMIP has a specific instrument: the Special FEMIP Envelope (SFE). The average project risk in the Mediterranean partner countries and the difficulty of obtaining guarantees from third parties that are acceptable to the EIB are generally greater than in the European Union,



Microfinance, Morocco.

often resulting in additional costs for private operators. Thanks to the SFE, this difference compared with conventional long-term loans, which hampers the development of certain projects, can therefore be obviated to some extent.

Private equity

FEMIP has played a leading and pioneering role in the promotion of private equity in the partner countries, in terms of both financing and improving the financial practices implemented.

FEMIP private equity operations comprise three types of financial instrument: direct investments; private equity funds; and co-investments with pre-selected local intermediaries.

FEMIP also provides local currency loans for investments in microfinance institutions. In order to contribute to

the development of local financial markets and, in particular, augment the financing options for SMEs, FEMIP's strategy is to target small operations with very high value added, particularly those leading to the creation of new well governed microfinance institutions or helping existing ones to fully integrate into their local financial sector by obtaining financing from local banks.

Technical assistance

Technical assistance (TA) is an instrument that aims to assist promoters during all stages of the project cycle and thus indirectly improves the quality of lending operations. The preparation of investment projects and their implementation become more smooth and efficient as a result. Over the last few years the importance of technical assistance has increased and it is gradually being mainstreamed into the EIB's lending operations.

These operations are financed by the FEMIP Support Fund, which uses non-repayable aid granted by the European Commission. Some 80% of the Fund is allocated to infrastructure, the environment, water, wastewater and human capital projects, reflecting to a large extent the EIB's traditional areas of lending activity in the region.

Direct private sector support – mainly strengthening the lending capacity of intermediary banks in respect of global loan operations for SMEs and supporting the implementation of new investment funds – absorbs one fifth of FEMIP Support Fund resources. In the financial sector, it has proved to be a useful tool for improving credit risk assessment, simplifying procedures and launching new financial products.

Guarantees

The external mandates for the period 2007-2013 enable the Bank to provide guarantees outside the European Union. Guarantees can play a useful role in support of the Bank's objectives in the Mediterranean partner countries, both by providing project credit enhancement for private investors and lenders, and by helping to mobilise the resources of other investors and financial institutions for investment in productive projects, especially in countries where the financial markets are very liquid.

The legal and financial set-up of this product is now being finalised and guarantees could be made available starting from 2010 for MSMEs, larger corporations, domestic banks, public sector promoters or sub-sovereign lenders

The allocation of TA funds among the Mediterranean partner countries is determined by the following factors:

- the absorption capacity of sectors and countries;
- the willingness of individual promoters to cooperate more closely with the Bank and to invest in capacity-building and institutional change.

FEMIP Support Fund TA operations are demand-driven and always linked to an ongoing or future EIB investment.



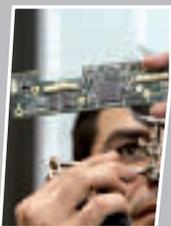
FEMIP products

Products		Objectives	Beneficiaries
Loan	Lines of credit	To encourage the development of small and medium-sized enterprises by means of lines of credit made available to the EIB's partners – commercial banks or development financing institutions, which then onlend the funds to their own customers.	SMEs
	Individual loans	To develop the economic infrastructure of the Mediterranean partner countries, paying particular attention to the expansion of the private sector and to the creation of a business-friendly environment.	Private and public sector promoters
Private equity		To promote the creation or strengthening of the capital base of productive businesses, particularly those established in partnership with EU-based companies.	<ul style="list-style-type: none"> ↳ Intermediate-sized private enterprises ↳ Investment funds ↳ Microfinance institutions
Technical assistance		To improve the quality of FEMIP operations and their impact on development by: <ul style="list-style-type: none"> ↳ strengthening the capacity of the Mediterranean partner countries and project promoters, ↳ financing studies and activities upstream aimed at consolidating directly and indirectly the expansion of the private sector. 	All FEMIP customers
Guarantees		<ul style="list-style-type: none"> ↳ To stimulate the local capital market ↳ To mobilise additional resources to supplement scarce public capital resources ↳ To support sub-sovereign development ↳ To reduce foreign exchange risk ↳ To reduce government risk exposure 	<ul style="list-style-type: none"> ↳ SMEs ↳ Large corporates ↳ Domestic banks ↳ Public sector promoters ↳ Sub-sovereigns

The EIB project cycle



In which sectors does FEMIP invest?



FEMIP's priorities reflect those of the "Union for the Mediterranean".

These priorities aim to develop specific projects that directly benefit the local population, and involve the sectors presented in the following pages.



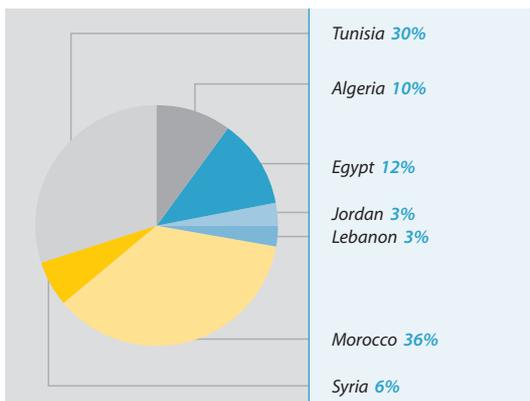
Transport

A necessary condition for the sustainable economic development of the Mediterranean region is the establishment of an integrated and efficient system of transport. The extension of trans-European networks and the strengthening of transport networks between the countries of the south will enable trade with the EU and within the Mediterranean region to be enhanced and expanded.



Figure 22: FEMIP financing for the transport sector (October 2002-December 2009)

Breakdown by country



That is why the development of the “maritime and land highways” was adopted as one of the Union for the Mediterranean’s six priority initiatives in July 2008. Gathered in Luxembourg in October 2008, the Euro-Mediterranean Ministers entrusted the EIB with the task of coordinating this initiative.

Transport accounts for more than 20% of the EIB’s activity in the Mediterranean. Between October 2002 and December 2009, the Bank provided more than EUR 2.3 billion for road, maritime, urban and rail transport in the region. In 2009 this sector represented 33% of operations signed in the region.

FEMIP also encourages the development of logistical platforms. Thus it financed, via its Trust Fund, a study on logistical platforms in the Mediterranean that could contribute to the establishment of a multimodal transport network, including maritime and land highways, thanks to the creation of high-quality logistical facilities.

Cairo, Egypt.



Morocco

PROJECT: MOROCCAN MOTORWAYS VI

Amount: EUR 225 million

The EIB is a long-standing partner of Autoroutes du Maroc. In less than 15 years, more than EUR 1 billion was made available to the company to help Morocco establish an extensive and high-standard road network, a prerequisite for the balanced development of economic activity throughout the Kingdom.

This loan, which amounts to EUR 225 million, will finance the widening of the Casablanca-Rabat motorway, in order to cope with the growing volume of traffic on that route. The construction of the Rabat motorway bypass will enable through traffic to be diverted away from the cities of Temara, Rabat and Salé and will link the motorways that converge on the Rabat-Salé metropolitan area.





PROJECT: RABAT-SALÉ TRAMWAY

AMOUNT: EUR 15 million

The project involves the construction of two tramway lines linking Rabat to Salé, two towns located either side of the river Bouregreg that together form a single large urban area. The project is an integral part of a general plan for the comprehensive development of the Bouregreg valley and will therefore facilitate the integration of the two towns, which are separated not only geographically but also functionally and culturally.

The two lines are the first stage of a larger network that is expected to eventually consist of four lines and will thus constitute the heart of the urban public transport network. They will link more than 100 educational centres and 72 000 students will potentially be interested in the new service.

The project will thus meet the daily transport needs of 400 000 people travelling between Rabat and Salé and will help to reduce the use of cars and buses in an urban area and have a positive impact on the environment. This is the first project to be carried out under the Mutual Reliance Initiative between the EIB and the French (AFD) and German (KfW) cooperation agencies.



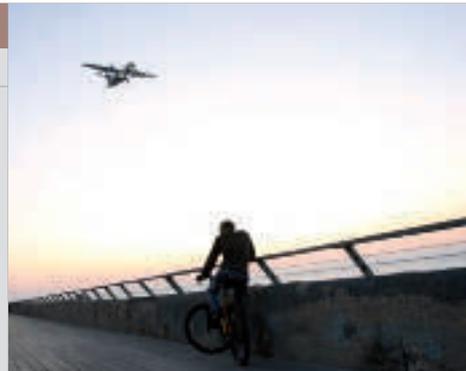
Tunisia

PROJECT: ENFIDHA AIRPORT

AMOUNT: EUR 70 million

This EUR 70 million loan was awarded to a Turkish company, in its capacity as concessionholder, for the construction of a new airport at Enfidha, which will serve the coastal region between Tunis and Monastir.

The project will help to improve transport infrastructure by increasing Tunisia's airport capacity, which is proving to be particularly necessary due to the country's tourist boom.



PROJECT: SFAX – GABÈS MOTORWAY

AMOUNT: EUR 234 million

Signed in December, this EUR 234 million loan was granted to Société Tunisie Autoroutes (STA) for the construction of a 155 km motorway between Sfax and Gabès.

The project will make it easier for people to travel between the two towns and give a boost to trade with neighbouring countries. This section of motorway will link the northern part of the country with the two industrial centres in the south of Tunisia, Sfax and Gabès, and encourage economic integration. It will also facilitate access to the ports of these two towns and reduce journey times between the tourist centres of Jerba and Tozeur and the rest of the country.



Water and the environment

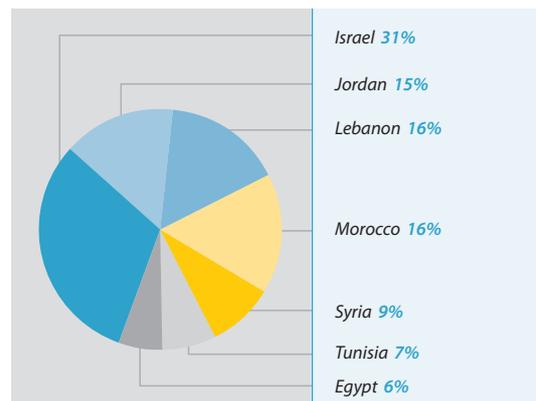
The environment in general and water in particular are one of FEMIP's priorities. On the southern and eastern shores of the Mediterranean, 60% of urban areas with a population of more than 100 000 still discharge their wastewater directly into the sea.

In accordance with the EIB's policy on the water sector, FEMIP continues to support improvements in the treatment of wastewater and the supply of drinking water in the region. Thus in 2009, FEMIP committed nearly EUR 400 million to this sector, bringing the total volume of financing, in support of projects facilitating access to water resources, to more than EUR 1 billion since FEMIP was created.

FEMIP is also working on reducing the level of pollution in the Mediterranean under the "Horizon 2020 initiative" by identifying and preparing sustainable capital depollution projects, thus supporting one of the Union for the Mediterranean's six key priorities.

Figure 23: FEMIP financing for the water & environment sector (October 2002-December 2009)

Breakdown by country





Egypt

PROJECT: INTEGRATED WATER AND WASTEWATER SERVICES PROGRAMME

AMOUNT: EUR 70 million

The EIB is supporting this project, which is estimated to cost EUR 300 million, with a EUR 70 million loan.

The project involves investment in upgrading and improving existing facilities, the installation of new infrastructure and accompanying measures to strengthen the institutional capacity for managing the water sector in Egypt.

It is intended to improve the population's health by guaranteeing sufficient amounts of good-quality drinking water and a high standard of sanitation, mainly in rural areas.

This project will contribute to environmental protection by reducing the pollutant load of wastewater, which contaminates water resources. Via the application of a viable tariff policy and improved management and operation of existing and future assets, the project is also expected to contribute to the financial stability and overall viability of the promoter, the Public Sector Holding Company for Water and Wastewater, and its subsidiaries.



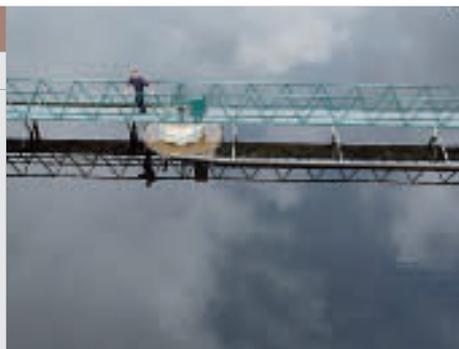
Israel

PROJECT: HADERA DESALINATION PLANT EXTENSION

AMOUNT: EUR 25 million

With a EUR 25 million EIB loan, the project concerns the extension of the Hadera desalination plant, which had already received finance from FEMIP in 2007. Currently under construction, the plant will have a production capacity of 100 to 127 million m³ a year.

This project will increase the amount of drinking water available in a region where water resources are scarce. It will help to bridge the country's water deficit, which is mainly due to the increased demand that has led to overexploitation of the aquifers.



Efficient wastewater systems in the region protect the environment.

Jordan

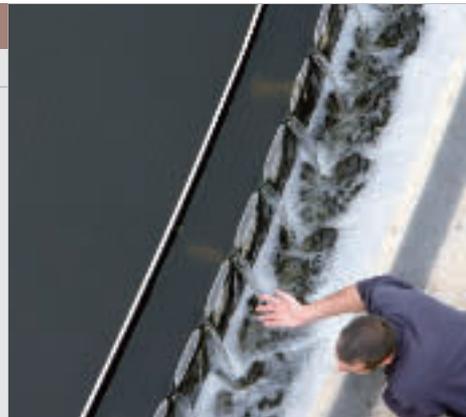
PROJECT: SOUTH NORTH WATER CONVEYOR

AMOUNT: EUR 166 million

Scarce water resources are a serious obstacle to Jordan's development and economic growth. This project, with financing from FEMIP totalling EUR 166 million, is intended to improve the country's water supply infrastructure.

The project involves the construction of a water catchment and supply system that will provide the Greater Amman region with 100 million m³ of drinking water per year, which will be drawn exclusively from the Disi aquifer for the duration of the concession contract. The water will be conveyed by a 325 km aqueduct from the south to the north of the Kingdom.

This operation is the first public-private partnership (PPP) type project to be signed by the EIB in Jordan.



Lebanon

PROJECT: KESRWAN WATER AND WASTEWATER PROJECT

AMOUNT: EUR 70 million

In April 2009, the EIB signed a loan of EUR 70 million to support new water treatment facilities in the Kesrwan region in Lebanon.

This new loan will improve sanitation services to a densely populated tourist region. It will prevent untreated water from being discharged into the sea. The project is included in the priority list of "Horizon 2020" projects for Lebanon and is part of the National Action Plan for pollution reduction provided for under the Barcelona Convention.

This loan is part of the EIB's pledge in 2007 to lend EUR 960 million to Lebanon over the next five years. This declaration was made at the Paris III Conference on the reconstruction and development of Lebanon.



Syria

PROJECT: MUNICIPAL AND ENVIRONMENTAL INFRASTRUCTURE IN SYRIA

AMOUNT: EUR 50 million

With a EUR 50 million loan, FEMIP contributed to a project intended to improve the priority infrastructure and quality of life in Syrian towns. The project will enable the towns in question to increase their competitiveness and promote their economic growth.

The project concerns a number of capital expenditure programmes aimed in particular at improving existing urban infrastructure. The investments will involve the following sectors: urban renewal, transport and traffic in urban areas, public tourist facilities, wastewater treatment and the management of solid waste.





Energy

In the southern and eastern Mediterranean countries there has been a sharp rise in the demand for energy, particularly electricity, which is expected to increase further over the coming years because of economic development and the needs of a growing population. That is why the promotion of renewable energy, energy efficiency and security of energy supplies has become a priority for FEMIP.

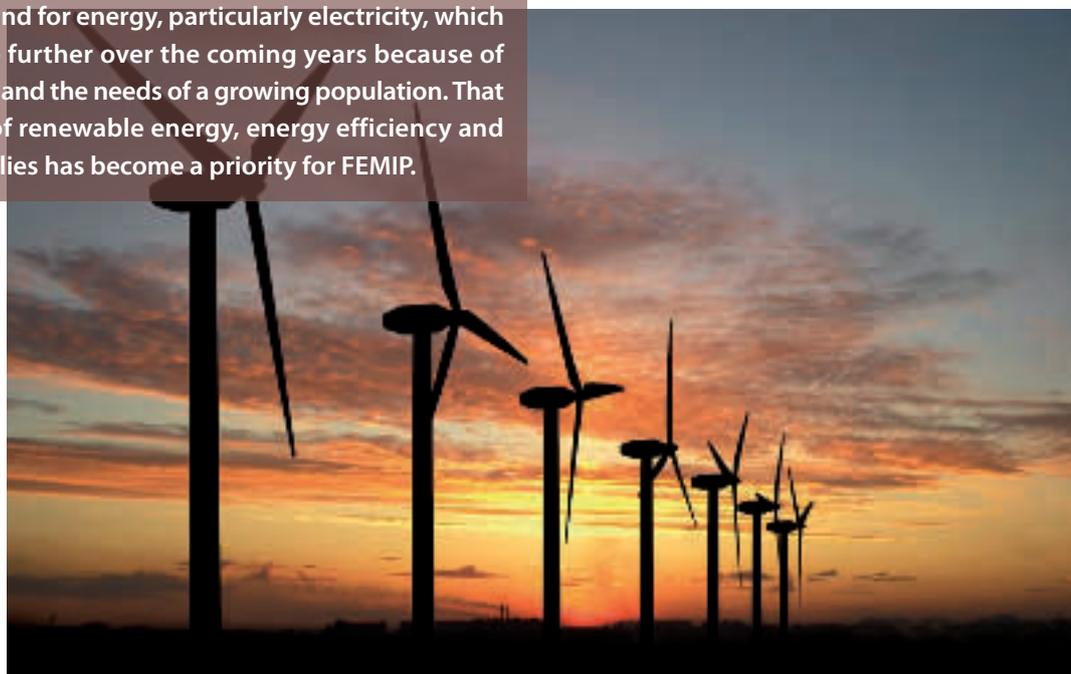
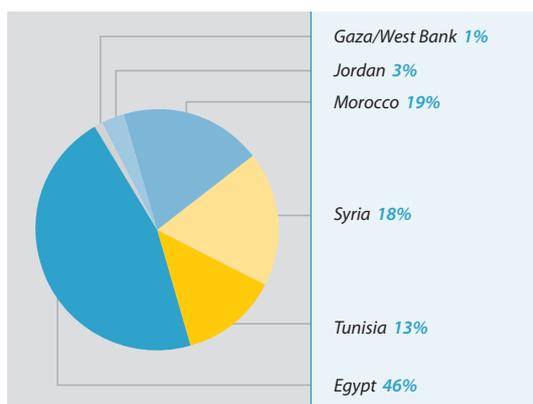


Figure 24: FEMIP financing for the energy sector (October 2002-December 2009)

Breakdown by country



Since October 2002 FEMIP has provided this sector with EUR 3.7 billion, i.e. nearly 40% of the total finance it has supplied over the same period.

FEMIP focuses on three areas: improving the local population's access to sources of energy; integrating the Euro-Mediterranean's energy markets and diversifying the sources of supply, particularly by drawing on renewable forms of energy. This third area is of growing importance for FEMIP, which has undertaken to coordinate the establishment of the Mediterranean Solar Plan, one of the Union for the Mediterranean's six key initiatives. The Plan will concentrate initially on research and development, followed by commercialisation of the alternative energy sources.

Egypt

PROJECT: GULF OF EL ZAYT WIND FARM

AMOUNT: EUR 50 million

A EUR 50 million loan was provided to support the construction of a new land-based wind farm at Gabal el Zait, by the Red Sea. With an output of MW 200, the farm is part of an ambitious national programme that is being implemented in this region to further increase the amount of electricity generated from renewable energy.

Electricity demand has grown rapidly since the mid-1990s, at an average rate of 7.5% a year, mainly because of increased household consumption, and is expected to expand further.



Renewable forms of energy have tremendous potential and are the future of the region.





Industry

In 2009 this sector received 25% of the financing provided in the region, i.e. nearly EUR 400 million, which was made available for industrial projects in Syria, Tunisia, Israel and Morocco.

Between October 2002 and December 2009 FEMIP supplied loans totalling EUR 870 million for major industrial projects in the region. The industries targeted included the automotive sector, cement and steel, as well as chemicals and advanced technologies (electronics, food processing, pharmaceuticals and biotechnology).

Further investment is needed to better develop and utilise local resources and create job opportunities for a young and growing population. In order to best position traditional and innovative small and larger growing companies, the products offered must meet international industrial quality standards and comply with relevant regulatory norms covering, for example, safety and the environment. One overall strategic objective for local firms is to move into high value-added activities, which can be achieved reliably and flexibly in response to domestic, as well as international, customer/client requirements for import substitution or exports.

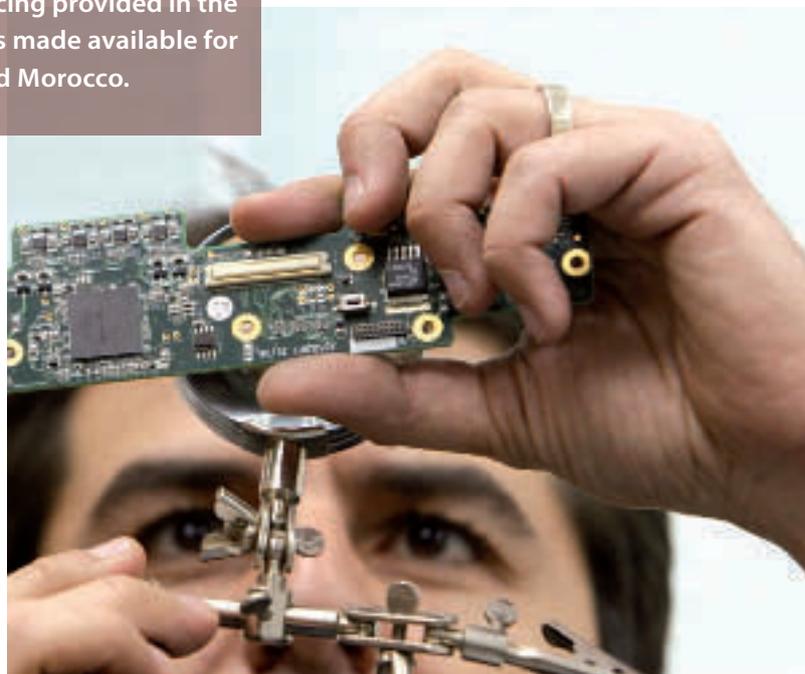
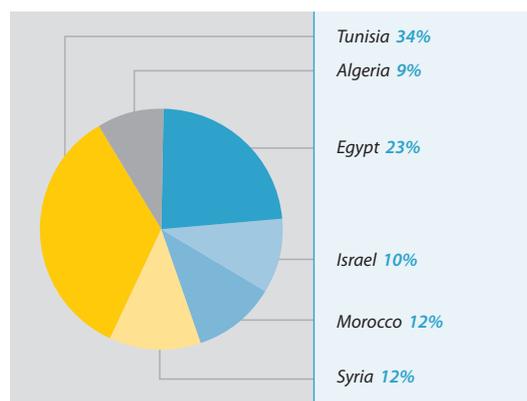
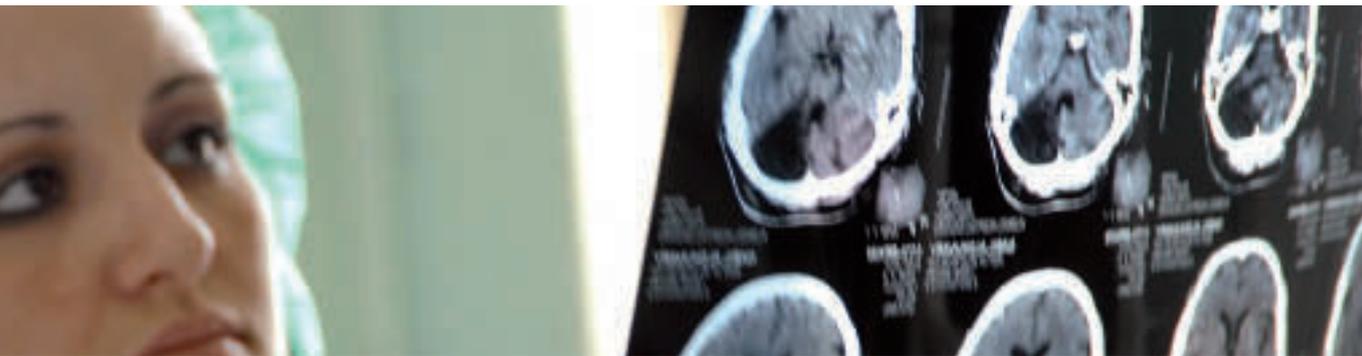


Figure 25: FEMIP financing for the industry sector (October 2002-December 2009)

Breakdown by country





Pharmaceuticals and biotechnology are among the industry sectors the EIB supports.

Israel

PROJECT: ICL'S SPECIALITY CHEMICALS R&D ACTIVITIES

AMOUNT: EUR 56 million

FEMIP granted a EUR 56 million loan to Israel Chemicals Ltd. (ICL). The project financed concerns investment in research and development involving speciality chemicals and fertilisers. It will be carried out between 2010 and 2014 and is aimed at reducing the cost and environmental impact of the production processes and developing new products.

Investment in RDI remains essential in order to ensure the future competitiveness of the chemical industry. These investments are generally aimed at adapting and developing more effective and environmentally friendly process technologies and products.



Morocco

PROJECT: RENAULT TANGIER

AMOUNT: EUR 100 million

FEMIP is providing EUR 100 million out of a total cost of EUR 700 million for the Renault plant in Tangier. This operation targets Renault's investment in a new car manufacturing facility located in the Melloussa free zone, 30 km from the port of Tangier.

The investment includes the design, civil engineering services, the acquisition of equipment and machinery for the new factory and the construction of an administrative building in the terminal that Renault will occupy in the Tangier Med port. The project involves setting up a unit for the production of the promoter's new low-cost brands intended mainly for the EU and eastern European markets.

As part of this intermediated financing operation, the EIB's contribution is also intended to support local financial institutions involved in funding the project.





Tunisia

PROJECT: TUNISIAN INDIAN FERTILISERS

AMOUNT: EUR 130 million

The purpose of the project is to construct and operate a phosphoric acid production plant with a capacity of 360 000 t/year. All production is intended for export to India via long-term purchasing contracts signed by the two Indian project partners in order to supply their plants with phosphoric acid. The new plant will be installed alongside an existing phosphoric acid plant in Skhira, 50 km north of the city of Gabès.

The estimated total cost is EUR 220 million and FEMIP is participating in this project with a EUR 130 million loan. The project will help to create direct and indirect employment in one of the country's priority industries and will increase foreign exchange earnings.

It should be noted that the financing structure for this project, which is being co-financed with the Islamic Development Bank, includes not only the general characteristics found in the transactions of other financing projects but also a number of adjustments designed to integrate Islamic as well as conventional tranches. The success of the operation will be key to the design of projects involving Islamic financing in the future.



Syria

PROJECT: SYRIAN CEMENT COMPANY

AMOUNT: EUR 105 million

Partly financed by the EIB (with a EUR 105 million loan), the project is for the construction and operation of an integrated cement plant with a capacity of approximately 2.6 million tonnes of cement a year.

The project is primarily intended to supply Syria's domestic market, which is currently experiencing a shortage. By encouraging local production of cement, the project should enable Syria to become self-sufficient and increase its development capacity. The new facilities will create local value added while replacing the huge amounts that are imported at great expense.

This project is of particular importance as it is one of the first large-scale private sector investments in Syrian industry.



Private equity

The development of competitive, innovative and job creating businesses is undeniably a prerequisite for sustainable economic growth in the region.



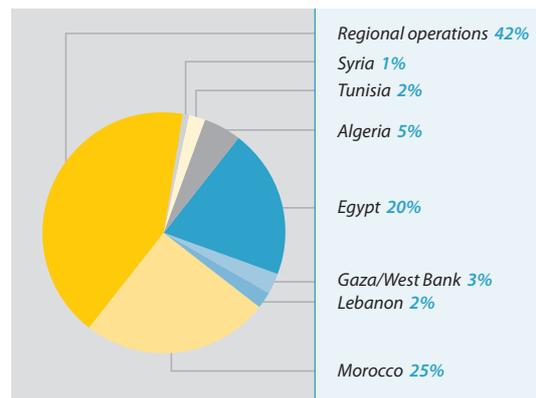
To encourage the development of the private sector, FEMIP not only provides long-term loans but also makes equity or quasi-equity investments in private enterprises.

Thus, FEMIP helps to develop the local financial sector and introduces new financing instruments making businesses more competitive and encouraging privatisation. In 2009, private equity operations amounted to EUR 30 million and involved four new operations totalling EUR 27 million and one EUR 3 million signature under a global authorisation.

FEMIP acquired stakes in three regional funds in the Mediterranean, one of which is the Middle East Venture Capital Fund, the first of its kind to be based in the Palestinian Territories. It also provided a loan that will help to speed up the modernisation of Egypt's banking sector and a local currency loan for a micro-finance association in Egypt.

Figure 26: Private equity operations (October 2002-December 2009)

Breakdown by country





Egypt

PROJECT: LOCAL CURRENCY LOAN for the DBACD

AMOUNT: EUR 2 million

A EUR 2 million local currency loan was granted to the Dakahlya Businessmen's Association for Community Development, a microfinance institution established in the Dakahlia region of Lower Egypt.

The proceeds of the loan will be used to provide credit in the form of individual or grouped loans to small and microbusinesses in the Dakahlia governorate.



PROJECT: GiroNil

AMOUNT: EUR 3 million

In December 2009 the EIB signed a direct investment of EUR 3 million in the form of a convertible loan for GiroNil, an Egyptian company specialising in the development of an automated bill processing system, which is currently setting up a national payment processing platform.

The loan was granted under the "upgrading Egyptian enterprises III" facility, which has a total budget of EUR 25 million. The company intends to provide significant advantages by helping Egypt to switch from a cash-based economy to electronic finance.



Supporting private enterprises and creating jobs (SME, Syria).

Regional

MIDDLE EAST VENTURE CAPITAL FUND

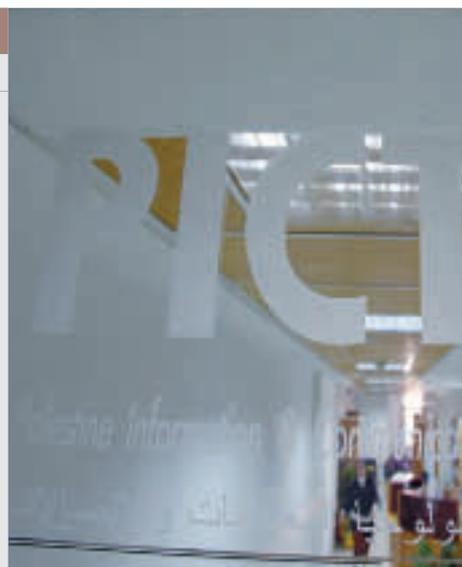
AMOUNT: EUR 5 million

With a EUR 5 million contribution, the EIB participated in the first venture capital fund to be based in the Palestinian Territories. The Fund will invest mainly in early-stage export-oriented private businesses established in the Palestinian Territories that operate in the fields of business services, software or communications.

The Fund will support the development of the private and financial sectors by providing equity and quasi-equity to early-stage local businesses that do not have access to venture capital finance.

The booming information and communications technology sector is a major priority for the Palestinian Territories, as this is the only area of economic activity to have experienced virtually uninterrupted economic growth over the past decade.

This project is being financed from the resources of the FEMIP Trust Fund.



The EIB participated in the first venture capital fund in the Palestinian Territories targeting export-oriented IT companies.



PROJECT: MENA JOINT INVESTMENT FUND

AMOUNT: EUR 10 million

FEMIP acquired a EUR 10 million stake in the form of venture capital in the Mena Joint Investment Fund. This Fund will acquire majority and controlling holdings in private companies in certain sectors.

The Fund aims to create value by creating, restructuring or growing companies by focusing on boosting naturally advantaged industries and improving the competitiveness of those suffering from a legacy of inefficiencies.



SWICORP INTAJ CAPITAL II FUND

AMOUNT: EUR 10 million

The operation consists of the Bank's acquisition of a EUR 10 million equity participation in a newly created closed-ended multi-sector investment fund.

The Fund will seek to take majority and/or controlling stakes in profitable mid-sized companies operating in sectors driven directly or indirectly by growth in consumer demand which have significant growth potential and a dynamic management team with solid capabilities in the industry in question.



Coffee factory, Lebanon.

Education

The education sector has been a permanent feature in the EIB's lending portfolio, as the Bank invests not only in physical but also in human capital. "Human capital" is generally defined as the set of knowledge, skills, expertise and other qualities of individuals that are relevant to productive activity and to participation in community activity.





Alongside the development of infrastructure and industrial investment, economic growth requires societies to invest in their people. There is a positive link between growth and human capital, and the economic return on investment in education is at least comparable to that obtained from investment in physical capital.

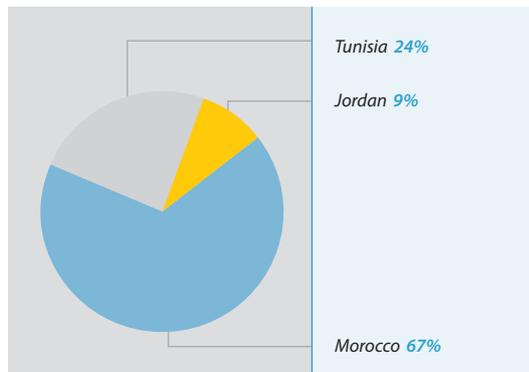
Investment in human capital is inevitably a prerequisite for growth and sustainable development in the Mediterranean region. Modern educational services, the latest teaching methods and materials, and suitable infrastructure are essential for this development. Given the rapid rate of economic change, the education services have never had a more important role to play in social and economic development.

By providing a EUR 200 million loan for the Moroccan education sector, FEMIP is emphasising its commitment to the development of human capital. In total, FEMIP has supplied EUR 400 million for this sector.



The economic return on investment in education is at least comparable to that obtained from investment in physical capital.

Figure 27: FEMIP financing for the human capital sector (October 2002-December 2009)
Breakdown by country



PROJECT: FRAMEWORK LOAN FOR THE EDUCATION SECTOR IN MOROCCO

AMOUNT: EUR 200 million

A EUR 200 million loan was granted to Morocco to help finance an ambitious programme to modernise the education system. This emergency strategic plan covers the period 2009-2012 and targets the sector's deficiencies.

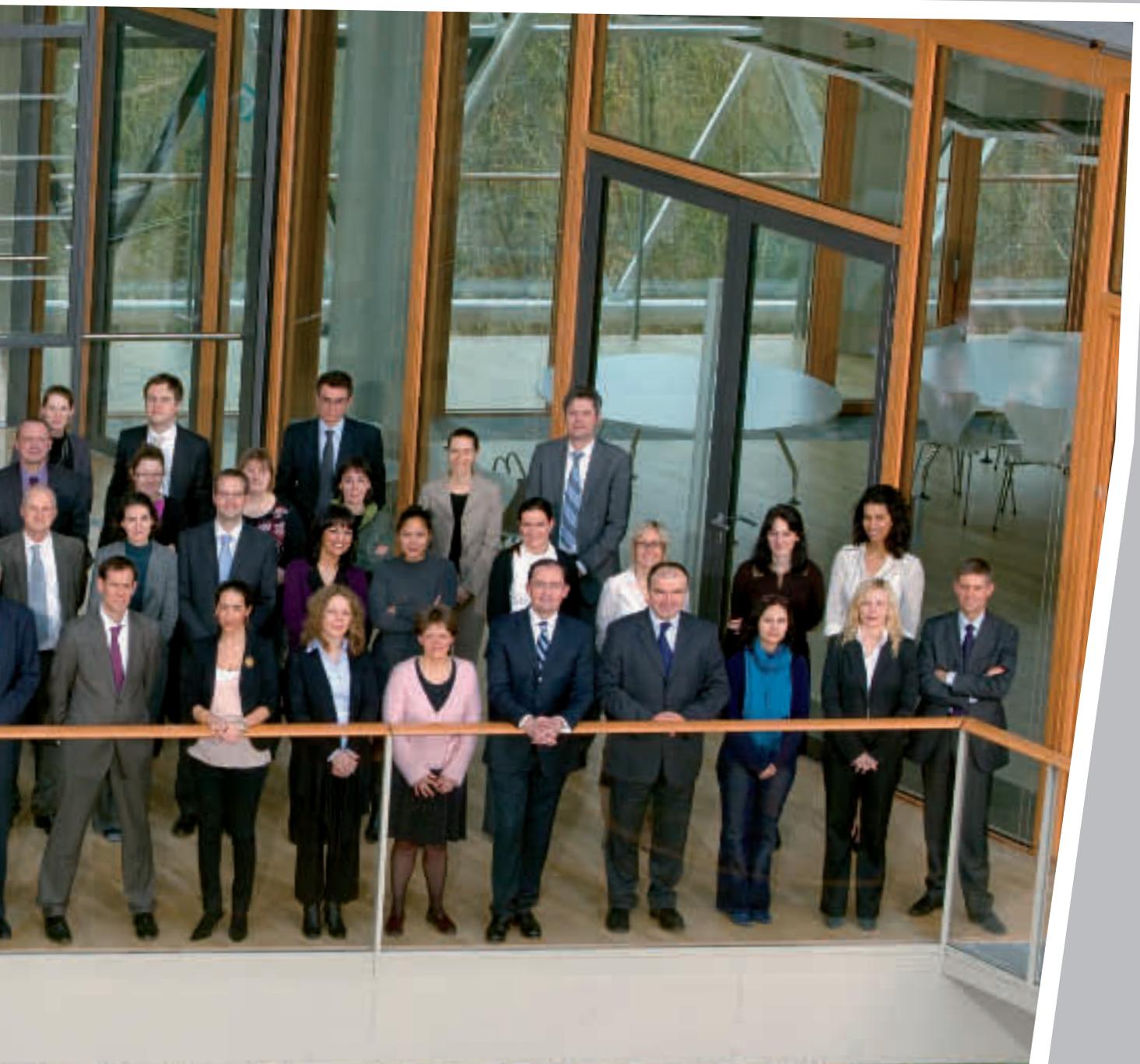
It includes a number of reforms that should significantly improve Morocco's education sector by strengthening management by results, decentralising decision-making and human resources and modifying teaching content and methods.

The total cost of the four-year (2009-2012) schools programme is estimated at EUR 3.1 billion, of which Morocco plans to finance EUR 2.6 billion. The EIB loan covers some 40% of the external financing requirement.



Organisation and Staffing





The FEMIP team

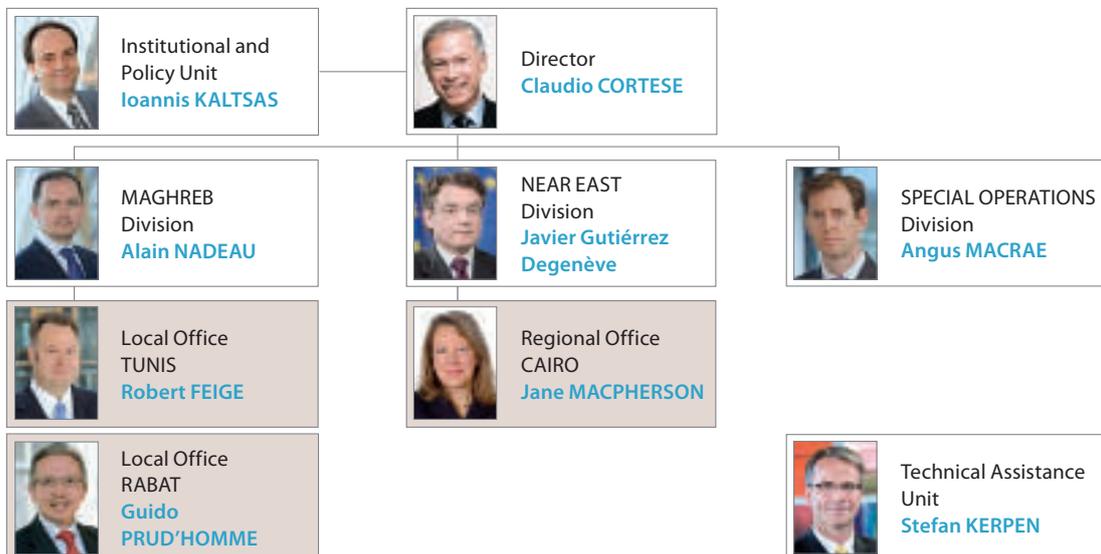
Operations in the Mediterranean partner countries are managed by the FEMIP team, part of the Europe's Neighbour and Partner Countries (ENPC) Department, which is attached to the EIB's Directorate for Operations outside the European Union and Candidate Countries.

In total, 46 EIB staff members are directly responsible for FEMIP operations (including those in external offices). They work closely with the Projects, Legal Affairs, Risk Management and Finance Directorates and the Development Economics Advisory Service.

Operations are managed by two geographical divisions covering the Maghreb and Near East regions and one horizontal division in charge of private equity and microfinance operations throughout the Mediterranean partner countries.

The follow-up of the Union for the Mediterranean horizontal policy issues and general institutional affairs are handled by a unit in charge of partnership relations with the Mediterranean countries and liaison with the Member States, the European Commission and other development finance institutions.

Organisation chart of the FEMIP team





Local presence

FEMIP has established a network of field offices in Cairo, Rabat and Tunis. The external offices help to raise the development profile of the Bank. Their role is to enhance coordination with local public authorities, entrepreneurs, commercial banks, donors and professional associations. They play a vital role in identifying new project opportunities and facilitating the implementation of monitoring and technical assistance operations.



The Cairo office's team



The Rabat office's team



The Tunis office's team

Young Mediterranean ambassadors

The Internship Programme

Every year the EIB selects talented young individuals who have the potential to contribute to the economic and social progress of the Mediterranean partner countries to undertake an internship at the Bank.



FEMIP seminar on human capital, November 2008, Luxembourg.

The FEMIP Internship Programme is open to students and young professionals from outside the EU who are nationals of the Mediterranean partner countries. It offers the successful candidates an opportunity to gain professional experience within the EIB, as well as the possibility to evolve in a multicultural international environment.

Funded by the FEMIP Trust Fund, the programme welcomed the third intake of young Mediterranean trainees in 2009. Twenty-six interns have participated in the programme since it was introduced in 2007.



Pinar Aktan
Turkish, 26 years old

Directorate for Lending Operations outside the European Union
Europe's Neighbour and Partner Countries Department

I spent a full year at the EIB. It was a unique opportunity to improve my skills and an amazing experience of working in a multicultural international environment. I am still impressed by the diversity of people at the EIB. The different backgrounds, opinions, experiences and perspectives of my colleagues made my stay enjoyable in a rich learning environment.

I highly value my internship as I gained early professional hands-on experience in a leading European institution and major international financial player such as the EIB.

On a long-term basis I would like to use the training I received at the EIB to contribute to the well-being of my home country.

Education
Panthéon-Sorbonne Paris 1
Field of study
International economics
Languages:
Turkish, French, English

Plans for the future
To work towards a career in the investment banking field.



Marwa Akouch
Lebanese, 21 years old

Directorate for Lending Operations outside the European Union

Department for Africa, the Caribbean and the Pacific

In a professional working environment, the FEMIP internship programme provided me with practical experience in my fields of study. I worked in the Africa-Caribbean-Pacific Department, which covered regions different from my own.

Outside the Bank, a great part of the experience was being in Luxembourg, this safe and peaceful country, and its citizens made me feel very welcome. At the personal and cultural level, my experience of the EIB and Luxembourg was very positive.

I definitely recommend this programme, which enables Mediterranean nationals to work alongside those of the European Community in a strategically located country at the heart of Europe.

Education
American University of Beirut

Field of study
Economics and political science

Languages:
Arabic, English

Plans for the future

To work for a non-governmental organisation (NGO) in the field of economic development.



Mohamed Sameh
Egyptian, 29 years old

Projects Directorate
Convergence and Environment Department

I spent an entire year at the EIB. It was a unique experience that added a lot to my personal and professional knowledge.

The training is a very useful tool for building bridges between professionals from the two shores of the Mediterranean.

I am grateful to the department staff for their ongoing support.

Education
Ain Shams University, Cairo, Egypt

Field of study
Civil engineering
Mediterranean studies
Management

Languages:
Arabic, English, French, Italian

Plans for the future

To develop a professional career in the infrastructure finance and management field.



<p>Jihane Hakimi Moroccan, 24 years old</p>	
<p>Directorate for Lending Operations outside the European Union Europe's Neighbour and Partner Countries Department</p>	<p>I have always underrated the worlds of banking and finance and was determined to professionally evolve in the field of sustainable development. A year at the EIB was enough to open my eyes to another side of sustainable development: the "conscientious" financing of development projects.</p> <p>After working for a few months with a local Indian NGO, I was lucky to be given the opportunity to discover another aspect of development through my internship in the Institutional and Policy Unit of the Europe's Neighbour and Partner Countries Department. Spending a year in this unit provided me with a better understanding of the institutional, operational and political dimensions of development and Euro-Mediterranean relations. I am glad that I was able to gain an overview of the work that FEMIP is achieving in the Mediterranean.</p> <p>At the personal level, working within this unit for a year was a useful lesson about ethics in a professional context and an exceptional example of a friendly working environment.</p> <p>Finally, I would like to highlight the cosmopolitan nature of the EIB, which undeniably reinforces the positive impression that I will keep about the year I spent in Luxembourg.</p>
<p>Education Al Akhawayn University Ifrane, Morocco</p> <p>Field of study International relations European studies International development</p> <p>Languages: French, Arabic, English</p>	<p>Plans for the future Master in Management of International Development, London. To work for an international organisation.</p>



Aida Yassine
Moroccan, 25 years old

Projects Directorate
Convergence
and Environment
Department

The year I spent at the European Investment Bank was a rich human experience in many aspects.

First, the EIB's high-quality working environment gave me the opportunity to be in contact with pivotal projects in the countries of intervention and enabled me to combine an overall view of the challenges with a genuinely highly specialised operational approach.

Secondly, the Bank's cultural environment is invaluable. It's really nice and interesting to mix with people from so many different countries and backgrounds.

Lastly, this experience, which is by far the most successful of its kind for me, owed much to the availability of my supervisors and their willingness to give me responsibility. This enabled me to use all my resources and opened up perspectives for my future plans.

Education
ICOMTEC, University
of Poitiers, France
Field of study
Economic intelligence
and strategic
communication
Languages:
French, Arabic, English

Plans for the future
To work in managing projects supporting innovation.



Amer Abomohammad
Jordanian, 27 years old

Directorate for
Lending Operations
outside the European
Union
EIB Regional Office
in Cairo

The EIB offered me an environment where I could gain an insight into the processes involved in successful investment selection. My internship at the EIB Regional Office in Cairo gave me exposure to various types of work, to a number of European-led initiatives and to technical assistance programmes.

During the internship, I became familiar with the full range of financial products offered by the EIB in support of economic development in the Mediterranean partner countries, in particular private equity, and with the environmental and energy sectors.

The working environment was excellent. It had a full positive impact on my professional career development.

My internship with the EIB made me confident that "I am on the right track".

Education
Master in Science
Field of study
Information systems
management
Languages:
Arabic and English

Plans for the future
To employ my knowledge to serve the Mediterranean region.

Annexes





↳ List of operations signed (01/10/2002–31/12/2009)

Country	Region	Project Name	Amount signed EUR m	Public/Private	Nature of Operation	Sector	FEMIP TA	Interest Subsidy
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1 October to end-2002

Algeria	Maghreb	ALGERIAN CEMENT COMPANY	66.0	Private	Loan & Private equity	Industry		
Morocco	Maghreb	ONE-INTERCONNEXIONS II	120.0	Public	Loan	Energy		
Morocco	Maghreb	ONEP IV PROTECTION DE L'ENVIRONNEMENT	20.0	Public	Loan	Environment		X
Tunisia	Maghreb	AUTOROUTE DU SUD	120.0	Public	Loan	Transport & other infrastructure		
Egypt	Near East	EGYPTIAN DIRECT INVESTMENT FUND	5.9	Private	Private equity	Financial Sector		
TOTAL			331.9				0	1

2003 Signatures

Algeria	Maghreb	RECONSTRUCTION APRES TREMBLEMENT DE TERRE	230.0	Public	Loan	Transport & other infrastructure	X	
Morocco	Maghreb	AUTOROUTES DU MAROC IV	110.0	Public	Loan	Transport & other infrastructure		
Morocco	Maghreb	ASSAINISSEMENT VILLES MAROCAINES-OUJDA	30.0	Public	Loan	Environment	X	X
Morocco	Maghreb	FORMATION PROFESSIONNELLE MAROC	30.0	Public	Loan	Human Capital		
Morocco	Maghreb	PORTS DU MAROC II	14.0	Public	Loan	Transport & other infrastructure		
Morocco	Maghreb	ASSOCIATIONS DE MICRO-CREDIT	10.0	Private	Private equity	Financial Sector		
Tunisia	Maghreb	ENTREPRISES TUNISIENNES PG III	150.0	Private	Loan	Financial Sector		
Tunisia	Maghreb	SANTE TUNISIE	110.0	Public	Loan	Human Capital		
Tunisia	Maghreb	STEG GAZ TUNISIE	55.0	Public	Loan	Energy		
Tunisia	Maghreb	STT- METRO LEGER DE TUNIS II	45.0	Public	Loan	Transport & other infrastructure		
Tunisia	Maghreb	TUNISACIER STEELWORKS	35.0	Private	Loan	Industry		
Egypt	Near East	IDKU LNG PLANT - ARTICLE 18 FACILITY	304.5	Private	Loan	Energy		
Egypt	Near East	NUBARIYA COMBINED CYCLE POWER PLANT II	150.0	Public	Loan	Energy		
Egypt	Near East	REGINA FOR FOOD INDUSTRIES	0.6	Private	Private equity	Financial Sector		
Jordan	Near East	JORDAN EDUCATION	39.7	Public	Loan	Human Capital		
Jordan	Near East	AMMAN RING ROAD	26.2	Public	Loan	Transport & other infrastructure	X	
Syria	Near East	PORT OF TARTOUS	50.0	Public	Loan	Transport & other infrastructure	X	
Syria	Near East	SME FUND	40.0	Private	Loan	Financial Sector	X	
Regional	Regional	AVERROES FINANCE	3.5	Private	Private equity	Financial Sector		
TOTAL			1 433.5				5	1

2004 Signatures

Algeria	Maghreb	ALGERIAN CEMENT COMPANY - PHASE II	12.5	Private	Loan	Industry		
Morocco	Maghreb	ONE PARC EOLIEN DE TANGER	80.0	Public	Loan	Energy		
Morocco	Maghreb	INFRASTRUCTURES LOGEMENT SOCIAL	71.0	Public	Loan	Transport & other infrastructure	X	
Morocco	Maghreb	ONE- DEPOLLUTION CENTRALE MOHAMMEDIA	40.0	Public	Loan	Environment	X	X
Morocco	Maghreb	ASSAINISSEMENT VILLES MOYENNES (Safi)	20.0	Public	Loan	Environment	X	X

Country	Region	Project Name	Amount signed EUR m	Public/Private	Nature of Operation	Sector	FEMIP TA	Interest Subsidy
Morocco	Maghreb	ASSAINISSEMENT VILLES MAROCAINES-FES	20.0	Public	Loan	Environment		X
Morocco	Maghreb	ASSOCIATIONS DE MICRO-CREDIT II	10.0	Private	Private equity	Financial Sector		
Morocco	Maghreb	WELDOM MAROC	0.5	Private	Private equity	Financial Sector		
Tunisia	Maghreb	VOIRIES PRIORITAIRES III	65.0	Public	Loan	Transport & other infrastructure		
Tunisia	Maghreb	VOIRIES PRIORITAIRES IV	40.0	Public	Loan	Transport & other infrastructure		
Tunisia	Maghreb	ASSAINISSEMENT DU SITE DE TAPARURA	34.0	Public	Loan	Environment	X	
Tunisia	Maghreb	PRET GLOBAL CPSC	25.0	Private	Loan	Financial Sector		
Tunisia	Maghreb	SNCFT IV	20.0	Public	Loan	Transport & other infrastructure		
Egypt	Near East	EGYPTAIR II	290.0	Public	Loan	Transport & other infrastructure		
Egypt	Near East	DAMIETTA LNG PLANT - EUROMED II FACILITY	188.4	Private	Loan	Energy		
Egypt	Near East	TALKHA & EL KURIEMAT POWER PLANTS	160.0	Public	Loan	Energy		
Egypt	Near East	GL PRIVATE SECTOR DEVELOPMENT	60.0	Private	Loan	Financial Sector	X	
Jordan	Near East	REGIONAL GAS PIPELINE	100.0	Public	Loan	Energy		
Lebanon	Near East	APEX GL MULTI-SECTOR	60.0	Private	Loan	Financial Sector		
Lebanon	Near East	SOUTH LEBANON WASTEWATER	45.0	Public	Loan	Environment	X	X
Syria	Near East	DEIR ALI POWER PLANT	200.0	Public	Loan	Energy		
Regional	Regional	AFRICINVEST FUND	4.0	Private	Private equity	Financial Sector		
TOTAL			1 545.4				6	4

2005 Signatures

Algeria	Maghreb	PROJET MAGHREB LEASING	10.0	Private	Private equity	Financial Sector		
Morocco	Maghreb	ADM IV TRANCHE B	70.0	Public	Loan	Transport & other infrastructure		
Morocco	Maghreb	ROUTES RURALES II	60.0	Public	Loan	Transport & other infrastructure	X	
Morocco	Maghreb	PRET GLOBAL BMCE BANK	30.0	Private	Loan	Financial Sector		
Morocco	Maghreb	CAPITAL NORTH AFRICA VENTURE FUNDS	5.0	Private	Private equity	Financial Sector		
Morocco	Maghreb	AGRAM INVEST	4.6	Private	Private equity	Financial Sector		
Morocco	Maghreb	ATLAS EDEN	0.2	Private	Private equity	Financial Sector		
Morocco	Maghreb	SOCIETE IMMOBILIERE DE LA MER	5.0	Private	Private equity	Financial Sector		
Tunisia	Maghreb	TECHNOPOLES	80.0	Private	Loan	Industry	X	
Tunisia	Maghreb	PG ENTREPRISES TUNISIENNES IV	120.0	Private	Loan	Financial Sector	X	
Tunisia	Maghreb	PG TECHNOPOLES TUNISIE	60.0	Private	Loan	Financial Sector	X	
Egypt	Near East	IDKU LNG PLANT II	234.4	Private	Loan	Energy		
Egypt	Near East	GASCO GAS PIPELINES III	50.0	Public	Loan	Energy		
Gaza/West Bank	Near East	CREDIT GUARANTEE FUND	10.0	Private	Private equity	Financial Sector	X	
Gaza/West Bank	Near East	ELECTRICITY NETWORK UPGRADING	45.0	Public	Loan	Energy	X	
Lebanon	Near East	LEBANESE HIGHWAYS	60.0	Public	Loan	Transport & other infrastructure	X	
Lebanon	Near East	BYBLOS BANK GL	50.0	Private	Loan	Financial Sector		
Lebanon	Near East	GREATER BEIRUT WASTEWATER	60.0	Public	Loan	Environment		X



Country	Region	Project Name	Amount signed EUR m	Public/Private	Nature of Operation	Sector	FEMIP TA	Interest Subsidy
Syria	Near East	DEIR AZZOUR POWER PLANT	200.0	Public	Loan	Energy	X	
Syria	Near East	RURAL TELECOMS	100.0	Public	Loan	Transport & other infrastructure	X	
TOTAL			1 254.2				9	1

2006 Signatures

Morocco	Maghreb	ASSAINISSEMENT DU BASSIN DE SEBOU	40.0	Public	Loan	Environment	X	X
Morocco	Maghreb	MOROCCAN INFRASTRUCTURE FUND	10.0	Private	Private equity	Financial Sector		
Morocco	Maghreb	ONE ELECTRIFICATION RURALE II	170.0	Public	Loan	Energy		
Morocco	Maghreb	SANTE	70.0	Public	Loan	Human Capital	X	
Tunisia	Maghreb	ONAS IV	40.0	Public	Loan	Environment	X	X
Tunisia	Maghreb	STEG CENTRALE GHANNOUCH	114.0	Public	Loan	Energy		
Tunisia	Maghreb	ENDA	0.8	Private	Private equity	Financial Sector	X	
Egypt	Near East	EGYPTIAN POLLUTION ABATEMENT (EPAP) II	40.0	Private	Loan	Financial Sector/ Environment	X	X
Egypt	Near East	EL ATF AND SIDI KRIR POWER PLANTS	130.0	Public	Loan	Energy		
Egypt	Near East	EMX METHANOL PLANT	200.0	Private	Loan	Industry		
Egypt	Near East	UPPER EGYPT GAS PIPELINE	50.0	Public	Loan	Energy		
Egypt	Near East	HORUS AGRIFUND	8.5	Private	Private equity	Financial Sector		
Egypt	Near East	BELTONE	5.6	Private	Private equity	Financial Sector		
Israel	Near East	ENVIRONMENTAL PROGRAMME LOAN	200.0	Public	Loan	Environment	X	
Syria	Near East	DAMASCUS RURAL WATER AND SANITATION	45.0	Public	Loan	Environment	X	X
Regional-Mediterranean	Regional-Mediterranean	EUROMED FUND	10.1	Private	Private equity	Financial Sector		
Regional-Mediterranean	Regional-Mediterranean	EUROMENA FUND	10.0	Private	Private equity	Financial Sector		
Regional-North Africa	Regional-North Africa	MAGHREB PRIVATE EQUITY FUND II	10.0	Private	Private equity	Financial Sector		
Regional-Mediterranean	Regional-Mediterranean	SGAM KANTARA FUND	10.0	Private	Private equity	Financial Sector		
TOTAL			1 164.0				7	4

2007 Signatures

Algeria	Maghreb	ALGERIAN FRUIT JUICE COMPANY	3.0	Private	Private equity	Financial Sector		
Morocco	Maghreb	AUTOROUTES DU MAROC V - (MAROC)	180.0	Public	Loan	Transport & other infrastructure		
Morocco	Maghreb	ONE - PROJETS HYDROELECTRIQUES II	150.0	Public	Loan	Energy	X	
Morocco	Maghreb	CAPMEZZANINE MAROC	6.0	Private	Private equity	Financial Sector	X	
Tunisia	Maghreb	TRANSMED PIPELINE EXPANSION	185.0	Private	Loan	Energy		
Tunisia	Maghreb	PG ENTREPRISES TUNISIENNES V	200.0	Private	Loan	Financial Sector		
Tunisia	Maghreb	FONDS D'AMORCAGE TUNISIEN	2.0	Private	Private equity	Financial Sector	X	
Tunisia	Maghreb	PROJET ENDA INTER ARABE	2.0	Private	Private equity	Financial Sector	X	
Egypt	Near East	EL ATF AND SIDI KRIR POWER PLANTS	130.0	Public	Loan	Energy		
Israel	Near East	HADERA DESALINATION PLANT	120.0	Private	Loan	Environment		

Country	Region	Project Name	Amount signed EUR m	Public/Private	Nature of Operation	Sector	FEMIP TA	Interest Subsidy
Lebanon	Near East	PRIVATE SECTOR FACILITIES	195.0	Private	Loan	Financial Sector		
Lebanon	Near East	SME RECONSTRUCTION FACILITY	100.0	Private	Loan	Financial Sector		X
Lebanon	Near East	THE BUILDING BLOCK EQUITY FUND	5.0	Private	Private equity	Financial Sector		
Syria	Near East	SME FUND II	80.0	Private	Loan	Financial Sector	X	
Regional-Mediterranean	Regional-Mediterranean	ALTERMED	8.0	Private	Private equity	Financial Sector		
Regional-Mediterranean	Regional-Mediterranean	BYBLOS PRIVATE EQUITY FUND	7.5	Private	Private equity	Financial Sector	X	
Regional-Mediterranean	Regional-Mediterranean	FUND FOR THE MEDITERRANEAN REGION	15.0	Private	Private equity	Financial Sector		
TOTAL			1 388.5				6	1

2008 Signatures

Egypt	Near East	EGAS GAS GRID REINFORCEMENT	250.00	Public	Loan	Energy		
Egypt	Near East	BELTONE MIDCAP FUND	12.50	Private	Private equity	Financial Sector		
Egypt	Near East	SPHINX TURNAROUND FUND	13.00	Private	Private equity	Financial Sector		
Egypt	Near East	BELTONE CAPITAL II	5.00	Private	Private equity	Financial Sector		
Israel	Near East	EUROPEAN PHARMA R&D (RSFF)	29.73	Private	Loan	Industry		
Israel	Near East	MEDINVEST (RSFF)	3.33	Private	Loan	Industry		
Jordan	Near East	AMMAN RING ROAD B	36.92	Public	Loan	Transport & other infrastructure	X	
Lebanon	Near East	PRIVATE SECTOR FACILITIES II (BOB)	52.00	Private	Loan	Financial Sector		
Morocco	Maghreb	ONE - RESEAUX ELECTRIQUES II	170.00	Public	Loan	Energy		
Morocco	Maghreb	FONDS CAPITAL CARBONE MAROC	6.50	Private	Private equity	Financial Sector	X	
Morocco	Maghreb	MASSINISSA FUND	12.00	Private	Private equity	Financial Sector		
Morocco	Maghreb	PORT DE TANGER-MED - DEUXIEME TERMINAL	40.00	Private	Loan	Transport & other infrastructure		
Morocco	Maghreb	ROUTES RURALES III	60.00	Public	Loan	Transport & other infrastructure	X	
Regional - Mediterranean	Regional - Mediterranean	ALTERMED B	3.00	Private	Private equity	Financial Sector		
Regional - Mediterranean	Regional - Mediterranean	FONDS EUROMENA II	13.00	Private	Private equity	Financial Sector		
Syria	Near East	DEIR ALI II POWER PLANT	275.00	Public	Loan	Energy	X	
Syria	Near East	FIRST MICROFINANCE INSTITUTION SYRIA	2.00	Private	Private equity	Financial Sector		
Tunisia	Maghreb	STEG - CENTRALE DE GHANNOUCH B	86.00	Public	Loan	Energy		
Tunisia	Maghreb	STEG GAZ II (TRANSPORT & DISTRIBUTION)	60.00	Public	Loan	Energy		
Tunisia	Maghreb	GCT MISE A NIVEAU ENVIRONNEMENTALE	55.00	Private	Loan	Industry		X
Tunisia	Maghreb	VOIRIES PRIORITAIRES V	110.00	Public	Loan	Transport & other infrastructure		
TOTAL			1 294.98				4	1



Country	Region	Project Name	Amount signed EUR m	Public/Private	Nature of Operation	Sector	FEMIP TA	Interest Subsidy
2009 Signatures								
Egypt	Near East	DBACD LOCAL CURRENCY LOAN	2.00	Private	Private equity	Financial Sector		
Egypt	Near East	GIRONIL	3.00	Private	Private equity	Financial Sector		
Egypt	Near East	IWSP	70.00	Public	Loan	Environment		
Egypt	Near East	WIND FARM GULF OF EL ZAYT	50.00	Public	Loan	Energy		
Israel	Near East	HADERA DESALINATION PLANT EXTENSION	25.22	Private	Loan	Environment		
Israel	Near East	ICL SPECIALTY CHEMICALS R&D (RSFF)	56.30	Private	Loan	Industry		
Jordan	Near East	SOUTH NORTH WATER CONVEYOR	165.76	Private	Loan	Environment		
Lebanon	Near East	KESRWAN WATER AND WASTEWATER PROJECT	70.00	Public	Loan	Environment	X	
Morocco	Maghreb	AUTOROUTES DU MAROC VI (MAROC)	225.00	Public	Loan	Transport	X	
Morocco	Maghreb	PRET CADRE SECTEUR EDUCATION MAROC	200.00	Public	Loan	Health, Education		
Morocco	Maghreb	RENAULT TANGER FINANCEMENT INTERMEDIATE	100.00	Private	Loan	Industry		
Morocco	Maghreb	TRAMWAY RABAT-SALE	15.00	Public	Loan	Transport		
Regional - Mediterranean	Regional - Mediterranean	MENA JOINT INVESTMENT FUND	10.00	Private	Private equity	Financial Sector		
Regional - Mediterranean	Regional - Mediterranean	MIDDLE EAST VENTURE CAPITAL FUND	5.00	Private	Private equity	Financial Sector		
Regional - Mediterranean	Regional - Mediterranean	SWICORP INTAJ CAPITAL II FUND	10.00	Private	Private equity	Financial Sector		
Syrian Arab Republic	Near East	SYRIAN CEMENT COMPANY	104.86	Private	Loan	Industry		
Syrian Arab Republic	Near East	SYRIA MUNICIPAL & ENVIRONMENT INFRASTRUCTURE	50.00	Public	Loan	Environment	X	
Tunisia	Maghreb	AEROPORT ENFIDHA	70.00	Private	Loan	Transport		
Tunisia	Maghreb	AUTOROUTE SFAX - GABES	234.00	Public	Loan	Transport	X	
Tunisia	Maghreb	TUNISIAN INDIAN FERTILIZERS	130.00	Private	Loan	Industry		
TOTAL			1 596.14				4	0

* The FEMIP TA Support Fund actually became operational in the second half of 2003.

➔ List of operations approved under the FEMIP Support Fund as at end-December 2009*

Country	TA operation	Promoter	Contract volume EUR '000
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2004 Signatures

Algeria	Creation of a development capital company: EIB presence in the Steering group in the company	SONATRACH	50
Algeria	Project Implementation Unit	NATIONAL ALGERIAN MOTORWAYS AGENCY	851
Algeria	Earthquake Reconstruction - Project Implementation Unit	MINISTRY OF FINANCE	1 373
Algeria	Earthquake Reconstruction - Support to the technical control agencies	MINISTRY OF FINANCE	570
Egypt	Pumping stations	ARAB REPUBLIC OF EGYPT	780
Lebanon	Creation of an investment fund	BYBLOS BANK SAL	200
Morocco	Financial sector - legal study	CAISSE DE DEPOT ET DE GESTION	48
Regional	Privatisation and PPP in Maghreb	EIB	198
Syria	Technical assistance for the Port of Tartous Phase I	MINISTRY OF TRANSPORT	110
Syria	Technical assistance for the Port of Tartous Phase II - TA for tender evaluation	MINISTRY OF TRANSPORT	200
Syria	Private sector SMEs	MINISTRY OF ECONOMY AND FOREIGN TRADE	2 895
Syria	Pre-shipment inspections	MINISTRY OF HEALTH	100
Tunisia	Exchange risk coverage (Redistribution of the financial charges fund)	MINISTRY OF FINANCE	160
Tunisia	Projects appraisal mission of the Office National d'Assainissement (ONAS) financed by the EIB	ONAS	779
Tunisia	Creation of the first seed capital	MINISTRY OF FINANCE	199
TOTAL			8 513

2005 Signatures

Algeria	Algerian Motorway National Agency - PMU	AGENCE NATIONALE DES AUTOROUTES (ANA)	2 996
Algeria	Redefinition of the municipal solid waste management plan in the city of Bouira and identification of technical support and training requirements nationally	MINISTRY OF ENVIRONMENT	149
Egypt	CGT optimisation study	EGYPTIAN ELECTRICITY HOLDING COMPANY	114
Egypt	TA to the Export Development Bank	EXPORT DEVELOPMENT BANK OF EGYPT	198
Egypt	TA to the National Bank of Egypt	NATIONAL BANK OF EGYPT	200
Egypt	Capacity Building Programme to the financial sector	EGYPTIAN BANKS, PRIVATE EQUITY FUNDS AND OTHER FINANCIAL INSTITUTIONS	2 201
Lebanon	Technical assistance for Lebanese motorways	COUNCIL FOR DEVELOPMENT AND RECONSTRUCTION	993
Lebanon	Project Management Unit for the South Lebanon wastewater project	COUNCIL FOR DEVELOPMENT AND RECONSTRUCTION	1 211
Morocco	PMU of wastewater services	RADDEO	965
Morocco	Hospital refurbishment and reorganisation programme in the Kingdom of Morocco - Modernisation of Hospital Management	MINISTRY OF HEALTH	199
Morocco	Agadir - Feasibility study on the wastewater recycling process	RAMSA	195
Morocco	Agadir - Master plan updating, Horizon 2025	RAMSA	195
Morocco	Oujda - Appraisal of environmental impact	RADDEO	174
Morocco	Water sewerage Agadir - Fight against the odour and erosion problems caused by the H2S emissions	RAMSA	79
Morocco	Analysis of the emissions of the Mohammedia power plant and improvement advice expertise	ONE	195



Morocco	Training programme focusing on management and organisation of utilities for Regies Phase I	RADDEO	100
Morocco	Regies Safi - Environmental impact study and planning adjustment advice	RADEES	196
Syria	Pre-feasibility study for Damascus rural water and wastewater project	MINISTRY OF HOUSING	199
Syria	Pre-feasibility study for Zabadani rural water and wastewater project	MINISTRY OF HOUSING	200
Syria	Preparation of Damascus Industrial City and process water and wastewater treatment project	MINISTRY OF HOUSING	200
Syria	Feasibility Study to develop new options for private sector investment	MINISTRY OF FINANCE	496
Tunisia	Project Management Unit - Société d'Etudes et d'Aménagement des Côtes Nord de la Ville de Sfax	SEACNVS	2 412
Tunisia	Supervision of works - Société d'Etudes et d'Aménagement des Côtes Nord de la Ville de Sfax (SEACNVS)	SEACNVS	2 556
Tunisia	Technical assistance for the establishment and development of 5 technology parks in Tunisia	MINISTRY OF HIGHER EDUCATION, RESEARCH AND TECHNOLOGY	2 088
TOTAL			18 511

2006 Signatures

Algeria	Implementation of a municipal solid waste management plan in the Wilaya of Oran	MINISTRY OF ENVIRONMENT	199
Egypt	Private sector financing in Egypt - Identification of gaps and potential for risk-capital operations	MINISTRY OF FINANCE	137
Egypt	Technical assistance for the implementation of the second Egyptian Pollution Abatement Project EPAP II	EGYPTIAN ENVIRONMENTAL AFFAIRS AGENCY	200
Jordan	Feasibility Study for Phase 2 and 3 of the Amman Ring Road	MINISTRY OF HOUSING AND PUBLIC WORKS	2 000
Lebanon	Operational support to a new private equity fund	BYBLOS BANK SAL	166
Morocco	Tariff study for Oujda wastewater project	RADEEO (Oujda)	75
Morocco	Social housing infrastructure - TA to Al Omrane holding company	MINISTRY OF HOUSING AND URBANISM	2 996
Morocco	Microfinance study in Morocco	MINISTRY OF FINANCE	5
Morocco	ToR for Health sector study project	MINISTRY OF HEALTH	180
Morocco	Technical assistance to the Roads and Road Traffic Directorate for second national rural roads programme	DRCR	1 484
Regional	Private sector financing in Morocco & Tunisia - Identification of gaps and potential for risk-capital operations	MINISTRY OF FINANCE	183
Regional	Microfinance study in Egypt, Gaza & West Bank, Jordan, Lebanon and Syria - identification of appropriate instruments	MINISTRY OF FINANCE	200
Regional	Microfinance financing in Algeria, Morocco and Tunisia - identification of appropriate instruments	MINISTRY OF FINANCE	147
Regional	Mid-term evaluation of the FEMIP support fund	EC/EIB	165
Syria	Tariff study for the Syrian water sector	MINISTRY OF HOUSING AND CONSTRUCTION	142
Syria	Damascus rural water and sanitation project - Hydrogeological study	MINISTRY OF ENVIRONMENT AND LOCAL AUTHORITIES	178
Syria	Review and assessment of future needs for cancer services	MINISTRY OF HEALTH	140
Syria	TA to the Port of Tartous	MINISTRY OF TRANSPORT	1 025
Syria	Support to the PMU of the Syrian Telecommunication Establishment	GOVERNORATE OF DAMASCUS	3 000
Syria	Feasibility Study to develop new options for private sector investment - Phase II	MINISTRY OF FINANCE	1 004
Tunisia	Training for managers of Tunisian SICARs receiving "Private Sector Support" conditional loan under the risk capital fund	TUNISIE SICAR	98
Tunisia	TA to the Tunisian financial sector for financing small and medium-sized projects - Phase I elaboration of TOR	INTERMEDIARY BANKS	30
Tunisia	Technical Assistance programme for the EIB's financial intermediaries in Tunisia	INTERMEDIARY BANKS	1 110
Tunisia	Strengthening of ENDA	ENDA	200
TOTAL			15 063

2007 Signatures

Egypt	Implementation of EPAP II	EGYPTIAN ENVIRONMENTAL AFFAIRS AGENCY	2 771
Jordan	Master Plan for Amman Development Corridor	MINISTRY OF PUBLIC WORKS	1 998
Jordan	Feasibility Study for establishing a seed capital and venture fund	FUND	199
Morocco	Health project - Preparation of projects on hospital rehabilitation	MINISTRY OF HEALTH	1 000
Morocco	Health project - Environmental impact study	MINISTRY OF HEALTH	194
Morocco	Environmental impact study on the ONE II hydraulic projects	ONE	176
Morocco	Water sewerage Beni Mellal - Study on environmental impact and industrial depollution	REGIE AUTONOME INTERCOMMUNALE DE DISTRIBUTION D'EAU ET D'ELECTRICITE DU TADLA	192
Morocco	Water sewerage Agadir - Recycling and improved usage of biogas	RAMSA	50
Morocco	Sewage and sludge treatment at Settat	REGIE AUTONOME DE DISTRIBUTION D'EAU ET D'ELECTRICITE DE LA CHAOUIA	169
Morocco	Mezzanine Fund	CAPMEZZANINE FUNDS	195
Morocco	Wastewater sewerage project at Sebou - Study of the willingness to pay	ONEP	198
Regional	Horizon 2020 - Elaboration of a Mediterranean Hot Spot Investment Programme (MEHSIP)	EIB	198
Syria	ADRA Industrial City	MINISTRY OF LOCAL ADMINISTRATION AND ENVIRONMENT	70
Syria	Damascus rural water and sanitation project - Institutional Development and Organisational Change	MINISTRY OF ENVIRONMENT AND LOCAL AUTHORITIES	2 019
Syria	Damascus rural water and sanitation project - International Project Management Support	MINISTRY OF ENVIRONMENT AND LOCAL AUTHORITIES	3 903
Syria	Damascus Metro Green Line - Implementation Option Study	GOVERNORATE OF DAMASCUS	2 468
Syria	TA to the electricity distribution and electricity transmission projects	PUBLIC ESTABLISHMENT FOR ELECTRICITY GENERATION AND TRANSMISSION	200
TOTAL			16 001

2008 Signatures

Gaza/West Bank	TA for electricity network upgrading	PALESTINIAN ENERY & NATURAL RESOURCES AUTHORITY (PENRA)	200
Morocco	Sebou Basin Sanitation Programme - technical assistance for Project Management Unit (PMU)	NATIONAL OFFICE FOR DRINKING WATER	1 391
Morocco	Construction of a new airstation at the airport of Marrakech-Menara - Feasibility study and environmental and social framing	NATIONAL OFFICE FOR AIRPORTS	162
Morocco	Sebou Basin Sanitation Programme - support for planning and operation of urban sanitation services	NATIONAL OFFICE FOR DRINKING WATER	1 048
Morocco	Implementation of hospital investment programme	MINISTRY OF HEALTH	6 695
Syria	Support to Syria's national cancer strategy: Feasibility studies for the Aleppo and Homs cancer centres	MINISTRY OF HEALTH	1 339
Syria	Technical assistance for the small and medium-sized enterprises (SME) credit facility II	MINISTRY OF LOCAL ADMINISTRATION AND ENVIRONMENT	200
Syria	SME Credit Facility II	FINANCIAL INTERMEDIARIES	2 800
TOTAL			13 834

2009 Signatures

Morocco	Capital Carbon Fund Morocco	ACASA	83
Morocco	Study: Kenitra-Tanger high speed line	RAILWAY NATIONAL OFFICE	199
Morocco	TA for implementing the energy savings projects "Audit Optima"	ELECTRICITY NATIONAL OFFICE	179
Morocco	Road safety audit Project ADM VI	MOROCCO MOTORWAYS COMPANY	75
Regional	Mediterranean Hot Spot Investment Programme (MeHSIP) - Project preparation and implementation facility	EIB	6 198
Syria	TA for Healthcare facilities	MINISTRY OF HEALTH	200
Syria	TA for preparation of Banias City water and wastewater project	MINISTRY OF HOUSING AND CONSTRUCTION	200



Syria	Allepo rural water and wastewater project	MINISTRY OF HOUSING AND CONSTRUCTION AND ALEPPO WATER & SEWERAGE COMPANY	2 137
Tunisia	Assistance with implementation of ONAS IV investment project and technical assistance programme	ONAS	2 535
Tunisia	TA to the Société Tunisienne d'Autoroutes (STA) for the Sfax-Gabès motorway	STA	35
TOTAL			11 839

Projects approved not yet signed

Gaza/West Bank	FEMIP Technical Programme for a Credit Guarantee Fund - Implementation and Management of the CGF	CREDIT GUARANTEE FUND	2 400
Syria	Support to the Project Implementation Unit of the Deir Azzour Power Plant Project	PEEGT	4 000
Morocco	Health project - Organisational aspect	MINISTRY OF HEALTH OF MOROCCO	2 000
Syria	Technical Assistance for Implementation of the Syrian Municipal and Environment Infrastructure Project	MINISTRY OF LOCAL ADMINISTRATION AND ENVIRONMENT	4 000
Tunisia	Technical assistance to Société Tunisienne d'Autoroutes (STA) for a study on tolls	STA	160
Tunisia	Technical assistance to Société Tunisie Autoroutes (STA)	STA	940
Tunisia	Study into updating of Greater Tunis's sanitation master plan	SEWERAGE NATIONAL OFFICE	1 200
TOTAL			14 700

TOTAL			98 460
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* TA project extensions, where applicable, are considered in the year when the related project was signed and not as a new operation in the year when the extension was signed.



➔ List of operations approved under the FEMIP Trust Fund

Country	Name of operation	Budget in EUR ('000)	FTF Assembly date of approval	Sector	Type
Algeria	Examining the access of small firms to sustainable forms of external finance	160	May 2005	Finance	Study
Jordan	Highway master plan study	1750	September 2008	Transport	TA
Lebanon	Securitisation of workers' remittances: test case in Lebanon	150	March 2007	Finance	Study
Morocco	Long-term savings	180	November 2005	Finance	Study
Morocco	Private type management and operation of the Public Irrigation systems in FEMIP countries: a test case in Morocco	1000	December 2006	Environment & water	TA
Morocco	Incubators Network	300	June 2009	SME	TA
Morocco	Urban operation in Meknes/Medina	400	December 2009	Urban development	Study
Palestinian Territories	Middle East Venture Capital Fund	5000	October 2009	ICT	Private equity
Regional	Improving efficiency of workers' remittances	200	January 2005	Finance	Study
Regional	Financial mechanism for the development of renewable energy and energy efficiency	200	May 2005	Energy	Study
Regional	Financial sector support programmes – METAC	500	May 2005	Finance	TA
Regional	Logistic needs in the MPCs: Potential for the development of a logistic platform network	600	May 2005	Transport	Study
Regional	CDM Project Identification in FEMIP countries	200	March 2006	Energy	Study
Regional	FEMIP Internship Programme	470	March 2006	Finance/Training	TA
Regional	Analysis of tourism strategies and policies in FEMIP countries	200	July 2006	Tourism	Study
Regional	Review of existing trade finance services for Euromed trade	80	July 2006	Finance	Study
Regional	Potential for biofuel production	200	December 2006	Energy	Study
Regional	Identification and removal of obstacles to the extended use of wastewater in agriculture	200	March 2007	Environment & water	Study
Regional	Study programme with the Blue Plan	180	March 2007	Energy & environment	Study
Regional	A Review of the Economic and Social Impact of Microfinance	70	November 2007	Microfinance	Study
Regional	Strategies for the regeneration of medinas in the Mediterranean area	185	November 2007	Urban Development	Study
Regional	Dissemination window for FTF studies	450	March 2008	All sectors	Seminars
Regional	Financial sector support programmes – METAC II	500	March 2008	Finance	TA
Regional	PPP legal framework in the FEMIP region	750	March 2008	All sectors	Study
Regional	Study Programme with the Blue Plan	850	September 2008	Energy/Tourism	TA



Country	Name of operation	Budget in EUR ('000)	FTF Assembly date of approval	Sector	Type
Regional	Mediterranean Business Development Initiative	199	April 2009	SME	Study
Regional	Reinforced partnership with FEMISE	400	April 2009	All sectors	Study
Regional	Mediterranean Solar Plan	350	April 2009	Energy	Study
Regional	Multipartner networking and learning centre	500	April 2009	All sectors	Study
Tunisia	Seed capital fund	2000	July 2006	Finance	Private equity
Tunisia	TA related to seed capital fund	150	July 2006	Finance	TA
Tunisia	Adaptation of financial products to workers' remittances	500	June 2008	Finance	TA
Tunisia	Network of business angels	190	June 2009	SME	TA
Total volume		19 064			



↳ Publications⁵

Activity reports

- ↳ FEMIP Annual Report 2008, May 2009.
- ↳ FEMIP Annual Report 2007, May 2008.
- ↳ FEMIP Annual Report 2006, May 2007.
- ↳ FEMIP Annual Report 2005, June 2006.
- ↳ FEMIP Trust Fund Activity Report 2005, June 2006.
- ↳ FEMIP Annual Report 2004, June 2005.

Brochures

- ↳ FEMIP for the Mediterranean: FEMIP instruments, February 2010.
- ↳ FEMIP and the Mediterranean partner countries, February 2010.
- ↳ Boosting business in the Mediterranean: Entrepreneurs' success stories, July 2009.
- ↳ FEMIP for the Mediterranean: FEMIP Trust Fund, December 2008.
- ↳ FEMIP for the Mediterranean: 2006 results, March 2007.
- ↳ Overview of FEMIP 2005 Achievements, March 2006.
- ↳ Europe and the Mediterranean, June 2004.
- ↳ EIB set to increase cooperation with the Mediterranean partner countries, April 2002.

⁵ These publications are also available on the EIB's website: <http://www.eib.org/publications>, under the heading MED/FEMIP.



Country fact sheets

- EIB financing operations in Algeria, March 2010.
- EIB financing operations in Egypt, March 2010.
- EIB financing operations in Gaza/West Bank, March 2010.
- EIB financing operations in Israel, March 2010.
- EIB financing operations in Jordan, March 2010.
- EIB financing operations in Lebanon, March 2010.
- EIB financing operations in Morocco, March 2010.
- EIB financing operations in Syria, March 2010.
- EIB financing operations in Tunisia, March 2010.
- European Investment Bank loans in Turkey, April 2009.

Thematic factsheets

- FEMIP for the Mediterranean: financing support for the knowledge economy, March 2010
- FEMIP for the Mediterranean: Financing water supply and sanitation, January 2009.
- FEMIP for the Mediterranean: financing education and training, November 2008.
- FEMIP for the Mediterranean: promoting tourism development, February 2008.
- Study on remittances sent by Mediterranean migrants from Europe, March 2008.
- Modernisation of procurement procedures in the Mediterranean partner countries, June 2006.
- Partnership with the Euro-Mediterranean "FEMISE" university network, June 2006.
- How to face the energy challenge in the Mediterranean, June 2006.
- Capital Market Activities in the Mediterranean Countries, June 2006.
- Environment and sustainable development in the Mediterranean partner countries, November 2005.
- Energy in the Mediterranean partner countries, November 2005.
- Transport in the Mediterranean partner countries, November 2005.
- Private sector in the Mediterranean partner countries, November 2005.
- Investment capital in the Mediterranean partner countries, November 2005.
- Technical assistance in the Mediterranean partner countries, November 2005.

Studies

- Potential for Biofuel Production in FEMIP countries, May 2009
- Identification and Removal of Bottlenecks for extended Use of Wastewater for Irrigation or for other Purposes, September 2009
- Climate change and energy in the Mediterranean, July 2008.
- The economic and social impact of microfinance in the Mediterranean, May 2008.
- Analysis of Tourism Strategies and Policies in the FEMIP Countries and Proposals for Sub-regional Tourism Development, March 2008.
- Financial mechanism for the development of energy efficiency and renewable energies in the southern and eastern Mediterranean countries, October 2007.
- Study on the promotion of long-term private savings in Morocco, May 2007.
- Study on Clean Development Mechanism (CMD): Project Identification in FEMIP Countries, March 2007.
- Feasibility Study to develop new options for private sector investment financing in the Syrian Arab Republic, March 2006.
- Study on improving the efficiency of workers' remittances in Mediterranean countries, March 2006.
- Sovereign Debt Markets in the EU Mediterranean Partner Countries – 2005, November 2005.

Evaluation reports

- FEMIP Trust Fund: Evaluation of activities at 30.09.2006 (available only in English), November 2006.
- EIB financing with own resources through individual loans under Mediterranean mandates, July 2005.
- EIB financing with own resources through global loans under Mediterranean mandates, February 2005.



↳ Glossary of terms and abbreviations

AFD:	Agence française de développement
ANIMA:	a multi-country platform for the economic development of the Mediterranean. The network consists of more than 70 government agencies and international networks from the Mediterranean rim.
ASCAME:	Association of the Mediterranean Chambers of Commerce and Industry
CMI:	Centre for Mediterranean Integration
EC:	European Commission
Ecofin Council:	Economic and Financial Affairs Council
EIB:	European Investment Bank
ENP:	European Neighbourhood Policy
ENPC:	Europe's Neighbour and Partner Countries
ENP-MED mandate:	mandate entrusted to the EIB by the EU Member States for operations conducted from the Bank's own resources in support of the Mediterranean partner countries over the period 01.02.2007-31.12.2013.
EU:	European Union
FDI:	foreign direct investment
FEMIP:	Facility for Euro-Mediterranean Investment and Partnership
FEMISE:	Forum euro-méditerranéen des instituts économiques
FTF:	FEMIP Trust Fund
GCC:	Gulf Cooperation Council
GDP:	gross domestic product
GUCCIAAC:	General Union of Chambers of Commerce, Industry and Agriculture for the Arab Countries
ICL:	Israel Chemicals Ltd
IMF:	International Monetary Fund
KfW:	Kreditanstalt für Wiederaufbau
MeHSIP-PPIF:	Mediterranean Hot Spot Investment - Programme Project Preparation and Implementation Facility
MENA:	Middle East and North Africa
MPCs:	Mediterranean partner countries (Algeria, Egypt, Gaza/West Bank, Israel, Jordan, Lebanon, Morocco, Syria and Tunisia)
NIF:	Neighbourhood Investment Facility
NPL:	non-performing loan
PPP:	public-private partnership
RDI:	research, development and innovation
ROA:	return on assets
ROE:	return on equity
SFE:	Special FEMIP Envelope
SMEs:	small and medium-sized enterprises
STA :	Société Tunisie Autoroutes
TA:	Technical assistance
UNEP-MAP:	United Nations Environment Programme – Mediterranean Action Plan
UNESCO:	United Nations Educational, Scientific and Cultural Organization
UfM:	Union for the Mediterranean
USD:	United States dollar



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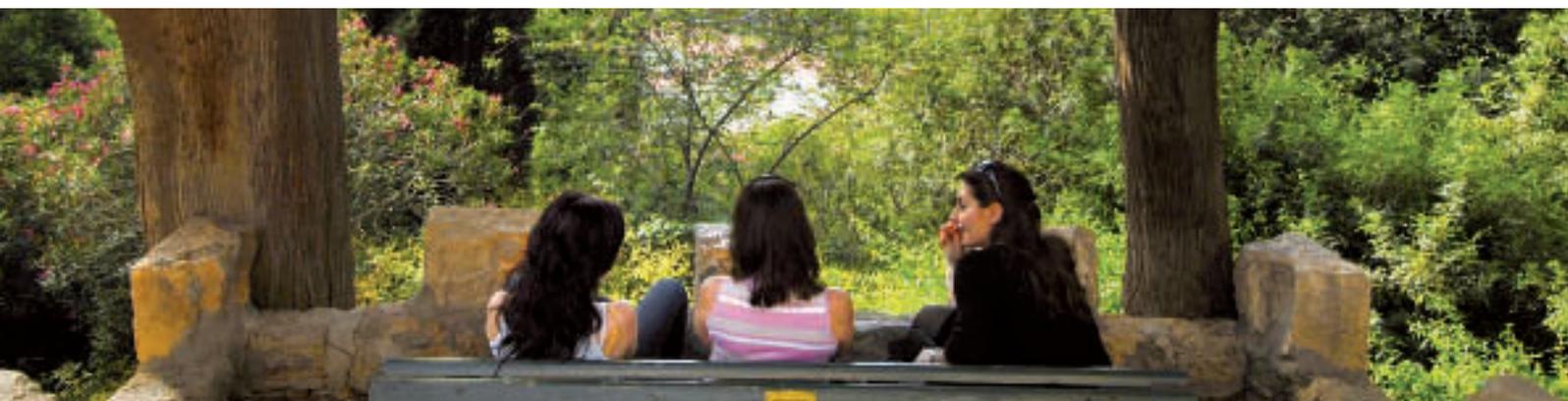
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