



Transport in the Mediterranean partner countries • Transport in the Mediterranean partner countries • Transport in the Mediterranean partner countries



## Transport in the Mediterranean partner countries

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

Transport is an important sector in the Mediterranean partner countries for facilitating mobility, trade and regional integration. Today, the continued economic development of the countries in the Southern and Eastern Mediterranean

relies on expanding and strengthening transport infrastructure both within and between the Mediterranean partner countries and also between the region and the European Union (EU).

The region's proximity to key markets, continued population growth and economic development make modern, efficient and well-planned transport infrastructure crucial for the region's future. Infrastructure and transport are key drivers for both growth and the competitiveness of the Mediterranean partner countries within the global trading system.

Efficient transport infrastructure has a major impact on social and economic development. The mobility of people acts as a catalyst for job creation in various sectors of the real economy by attracting investment to the region. At the same time, efficient and regionally coordinated transport infrastructure will increase the access of goods and people to markets, while also enhancing social cohesion. Additionally, the development of sustainable transport infrastructure contributes significantly to mitigating the effects of climate change.

### About FEMIP

The Facility for Euro-Mediterranean Investment and Partnership (FEMIP) brings together the whole range of services provided by the European Investment Bank in the Mediterranean partner countries.

Operational since October 2002, it is now the key player in the financial partnership between Europe and the Southern and Eastern Mediterranean countries, providing almost EUR 13 billion of finance between 2002 and 2011 and mobilising roughly EUR 35 billion of additional capital.

Over the period 2007-2013, FEMIP has EUR 9.7 billion at its disposal to support projects in the nine Mediterranean partner countries. These resources are augmented by EUR 2 billion under the Mediterranean Partnership Facility II and by EU budget resources for technical assistance and private equity activities.

## Policy framework for the Mediterranean partner countries

Integrated transport systems between the countries of the Southern and Eastern Mediterranean and with the EU are crucial for the continued economic and social development of the region. The Lisbon Treaty has committed the EU to develop a unique relationship with the region, whereby new projects will ensure the interoperability of networks between the FEMIP region and the EU. In 2011 the Roadmap to a Single European Transport Area was adopted, which proposed extending the EU's transport and infrastructure policy to the Mediterranean partner countries. The extension of the Trans-European Network for Transport (TEN-T) has been a priority objective for the EU since 2007. One aspect of the TEN-T in the Mediterranean partner countries is the Motorways of the Sea concept, which is used to promote regional development and inter-modal freight transport connections between the EU and the countries in the Southern and Eastern Mediterranean.

FEMIP projects in the Mediterranean have contributed to reduced transport times and costs between the region and the EU.

FEMIP supports investment in transport in the Southern and Eastern Mediterranean through a variety of financial and non-financial instruments to meet the requirements of viable projects across the region. In the last ten years, FEMIP has provided support to more than 29 transport projects across the region.

FEMIP works closely together with the European Commission (EC) and international financial institutions on transport projects in the region to enhance the overall impact of projects and maximise the effectiveness of funds. FEMIP also uses resources from the Neighbourhood Investment Facility (NIF) for financing capital-intensive infrastructure projects in the countries of the Southern and Eastern Mediterranean.

Since 2002 the EIB has provided EUR 13 billion in loans, of which EUR 2.5 billion for the transport sector, i.e. 17% of FEMIP loans in the Mediterranean partner countries. Transport sectors supported include road, rail, air, maritime links and urban public transport.

The development of a high-quality and safe road network is crucial for facilitating the movement of people, the growth of essential economic sectors and boosting trade between the countries in the Southern and Eastern Mediterranean region. Road infrastructure has been the main focus of FEMIP financing, accounting for 64% of FEMIP's transport portfolio. Most of the large-scale FEMIP-financed projects are motorway networks linking economic centres and major transport hubs, such as in Tunisia (Sfax-Gabes motorway), Morocco (Casablanca-Tadla-Azilal, Settat-Marrakesh and Fez-Taza motorways) and Jordan (Amman Ring Road Phase I). FEMIP has

### EIB support for the transport sector in the FEMIP region between 2002 and 2011

Figure 1  
Breakdown by sector

- Industry 43%
- Water 27%
- Private equity 5%
- Transport 17%
- SMEs 3%
- Energy 5%

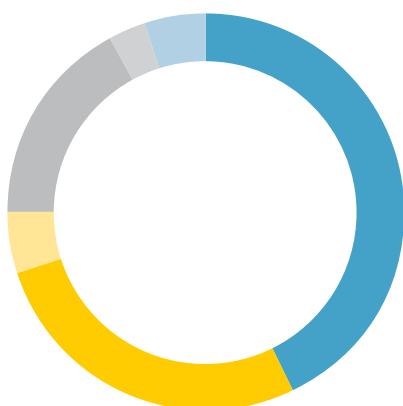
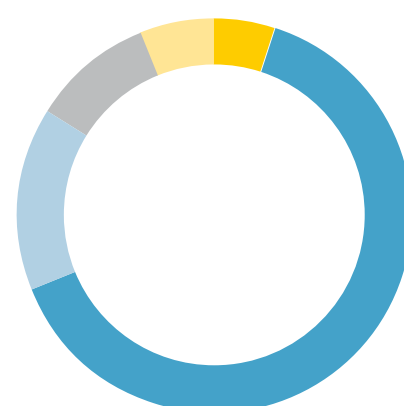


Figure 2  
Breakdown by transport sector

- Urban transport 5%
- Roads 64%
- Air 15%
- Ports 10%
- Rail 6%



also contributed to a major rural road upgrading programme in Morocco and the improvement of urban road networks in Tunisia (Tunis and Sfax).

Maritime and sea infrastructure development is an increasingly important sector for FEMIP investment, accounting for 10% of its total lending in the transport sector. The development of ports and sea shipping technology are essential for managing increased trade and promoting a safe and easily navigable Mediterranean sea. One of the largest projects FEMIP has financed is the extension of the Tangier Med Port in Morocco, for which it has provided a loan of EUR 200 million.

Heavy rail is not yet conducive to large-scale freight and passenger transport between the Mediterranean partner countries. However, the development of an interoperable railway network within and between the major cities and countries of the Southern and Eastern Mediterranean remains a priority. FEMIP lending has contributed to several national railway lines, particularly urban and suburban lines. An example is the approval of a loan of up to EUR 600 million for the construction of Metro Line 3 in Cairo, Egypt.

The aviation sector is particularly important for the countries of the Southern and Eastern Mediterranean, as it accounts for approximately half of all passenger movements to and from the EU. Examples of FEMIP-financed projects include upgrading of the air traffic control systems in Algeria and Lebanon, the renewal of the Egyptair fleet and the construction of Enfidha Airport in Tunisia. Moving forward, lending will increasingly be linked to EU policy aimed at creating closer market integration through a European Common Aviation Area (ECAA) covering the EU, the countries of the Southern and Eastern Mediterranean and the countries of the EU Eastern Neighbourhood.

### Technical assistance

Technical assistance provided by the FEMIP Trust Fund and the FEMIP Support Fund is vital for improving the quality of lending operations and enhancing the sustainability and impact of long-term loans for large projects.

### FEMIP Trust Fund in the transport sector

The FEMIP Trust Fund finances upstream technical assistance with a view to encouraging a better understanding of the transport needs and broader economic issues in the Southern and Eastern Mediterranean. Most of the operations focus on strengthening, either directly or indirectly, the development of the private sector in the Mediterranean partner countries. Since 2005, the FEMIP Trust Fund has provided almost EUR 4.5 million for technical assistance for the identification, preparation and implementation of projects in the transport sector. One example is the Jordan Highway Master Plan, which has formulated a 20-year strategy to maintain, rehabilitate and expand the Kingdom's 5 000 km road network. A comprehensive database of inventory, condition and socio-economic data relating to the primary and secondary interurban road networks has been developed.

### FEMIP Support Fund in the transport sector

The FEMIP Support Fund offers assistance for projects that have already been identified, to prepare, manage and supervise investment operations. This assistance can be delivered at various stages of a project, from preparation to completion. One example of ongoing support is a feasibility study for the reorganisation of public transport in Sfax, Tunisia. The study has supported

the promoter since project conception, with assessments that contribute to understanding transport needs, identifying effective solutions and ultimately preparing sound projects. Other examples in Tunisia include feasibility studies for the Tunis Ring Road and for a major motorway development in the South West of the country. In the railway sector, the Fund has financed the preparation of an investment programme for the Jordan National Railway Project. The Support Fund is also widely used to provide support for project management through Project Implementation Units (PIUs). PIUs have been used for the Sfax-Gabes motorway in Tunisia, highways in Lebanon and the rural roads programme in Morocco.

Underlining the importance of the transport sector, the near future will also see the establishment of the EC-EIB Neighbourhood Transport Technical Assistance Programme, which will focus on the sector's capacity to identify, prioritise, prepare and deliver transport projects in the FEMIP region (and at a later stage in the Eastern partner countries). The FEMIP part of the programme will blend the EIB's expertise and experience with transport projects with EUR 5m from European Commission resources for technical assistance under the Neighbourhood Investment Facility.





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### LOGISMED

The Mediterranean Logistics Platforms Network (LOGISMED) is intended to develop the logistics sector in the Mediterranean partner countries, through the promotion of logistical expertise and the development of a network of logistics platforms aimed at achieving better integration of intermodal transport chains in the Mediterranean region.

The initiative, fully in line with the objectives of the EC, financed by FEMIP and supported by the Union for the Mediterranean, aims to improve the level of qualifications in the logistics sector by reinforcing training structures in the Southern and Eastern Mediterranean region. At the same time, LOGISMED supports the creation of logistics platforms in the region as a way to improve the efficiency of the supply chain.

### Upgrading Tunisian roads

The Bank provided a EUR 163m loan to the Ministry of Transport and Equipment/Directorate General for Roads and Bridges for construction, improvement and rehabilitation work on the country's primary road network, including regional roads.

The project will make a significant contribution to the economic development of disadvantaged areas by opening them up, creating jobs across the country and, importantly, improving road safety by tackling accident black spots. The project will create 2 500 jobs over the construction period (2011-2014).

#### Press contacts and general information

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