



2008: FEMIP plays a prominent role in the year of the Union for the Mediterranean

In 2008, the relationship between Europe and the Mediterranean was at the top of the European political agenda. FEMIP's local expertise has been much in demand from the Barcelona Process through the European Neighbourhood Policy to the Paris Summit in July for the launch of the Union for the Mediterranean. The 43 Heads of State or Government meeting that day entrusted FEMIP with the task of financing three projects of key importance:

- land and sea motorways in the Mediterranean;
- an ambitious Solar Plan;
- cleaning up pollution in the Mediterranean.

These remits are within the reach of the Facility for Euro-Mediterranean Investment and Partnership, the EIB's financial arm for the Mediterranean which, since its creation in 2002, has invested more than EUR 8.5bn in nine partner countries on the southern shore of the Mediterranean: Algeria, Egypt, Gaza/West Bank, Israel, Jordan, Lebanon, Morocco, Syria and Tunisia.

In 2008, FEMIP invested EUR 1.3bn in support of private enterprise and infrastructure in the Mediterranean

In 2008, FEMIP carried out 20 projects, nine in the Maghreb, nine in the Middle East and two cross-border operations, for a total of EUR 1.3bn in the Mediterranean. It maintained its two investment priorities – support for the private sector as the driver of sustainable growth and the creation of an investment-friendly environment through the establishment of efficient infrastructure and suitable banking systems. Among the projects supported by FEMIP were:

- Tangiers-Med port, a symbolic project: FEMIP granted EUR 40m to support the construction of a second container terminal at the port of Tangiers-Med, a key element of infrastructure in the Kingdom of Morocco;
- the very first carbon fund on the African continent: FEMIP acquired a 25% stake in the Fonds Capital Carbone Maroc, the first fund specialising in the acquisition of carbon credits generated by renewable energy, waste management and energy efficiency projects in Morocco, under the Kyoto Protocol, and their re-sale on the international carbon market to industrialised countries to offset their greenhouse gases. This system serves to generate additional revenue for this type of project in Morocco;
- six private equity funds across the region: continuing its pioneering role in the private equity sector in the Mediterranean, FEMIP acquired stakes in six private equity or microfinance funds in the Mediterranean for a total of EUR 55.5m. These funds come from the Community budget and are managed by FEMIP;
- road infrastructure in Jordan, Morocco and Tunisia: FEMIP lent EUR 37m to widen the Amman ring road in Jordan, EUR 110m to upgrade roads and improve traffic conditions on the outskirts of big cities in Tunisia and EUR 60m to build roads in rural areas in Morocco;
- energy infrastructure in Egypt, Morocco, Syria and Tunisia: FEMIP lent EUR 275m to underpin the expansion of the ultramodern power plant in Deir Ali in Syria, EUR 250m for the expansion of the gas distribution system in Egypt, EUR 170m to consolidate the power grid and satisfy the huge increase in demand for energy in Morocco and it provided two loans totalling EUR 146m in Tunisia to upgrade the Ghannouch power plant and develop the natural gas distribution system;

- two pharmaceuticals research projects in Israel: FEMIP granted two loans totalling EUR 33m in support of pharmaceuticals research in Israel;
- small businesses in Lebanon: credit lines amounting to EUR 52m were advanced in Lebanon to support SME investment in the country;
- Groupe Chimique Tunisien's investments: lastly, a EUR 74m loan was granted to Groupe Chimique Tunisien in support of its investment programme aimed at mitigating the environmental impact of phosphate mining.

FEMIP, a Euro-Mediterranean platform

Apart from the fact that it is currently the leading financial partner in the Mediterranean region, FEMIP also provides a forum for exchange and dialogue between the North and the South. It deploys all its skills to gain a deeper understanding of the challenges facing the Euro-Mediterranean and involve other partners in its ongoing action.

Institutionally first of all, FEMIP works closely with the nine Mediterranean partner countries when deciding on its strategic choices. Each year, it invites the Finance Ministers of the European and Mediterranean States concerned by its activity to discuss the key policies for the coming year. The 2008 FEMIP ministerial meeting took place on 7 October in Luxembourg. An Advisory Committee was also set up in 2007 and it now brings together high-ranking representatives from both shores of the Mediterranean two to four times a year.

Furthermore, FEMIP conducts field surveys and circulates its findings to launch ideas for discussion and action. In 2008, five key topics were examined:

- a study of the growth in sustainable tourism was discussed in Berlin during the world tourism fair at a FEMIP conference bringing together representatives from the tourism industry, political decision-makers and members of civil society;
- in May, FEMIP presented a study at a FEMIP conference organised in Tunis on the economic and social impact of microfinance in the Mediterranean;
- it worked together with the Plan Bleu, the United Nations' environment and sustainable development observatory for the Mediterranean, on a study on climate change in the Mediterranean, which was unveiled in Paris in June 2008. FEMIP and the European Commission also identified 44 bankable projects for cleaning up pollution in the Mediterranean, totalling EUR 2.1bn, which they presented in April in Brussels;
- in November 2008 at its premises in Luxembourg, FEMIP met representatives from the academic world, the private sector and multilateral organisations as well as public administration managers from both shores of the Mediterranean for a seminar on the topic of human capital challenges in the Mediterranean;
- lastly, on the occasion of the Architecture Biennale in Venice at the end of 2008, FEMIP launched the "Médinas 2030" initiative, a wide-ranging forum on the regeneration of historic town centres in the southern Mediterranean, with a view to setting up an investment programme for this purpose. This initiative will be subject to annual review.

For further information on the EIB, visit its website www.eib.org.

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