

CAMENA – Climate Action in the Middle East and North Africa

Tackling climate change in the Southern Neighbourhood region

What is CAMENA?

CAMENA is a climate action envelope within the Facility for Euro-Mediterranean Investment and Partnership Trust Fund (FEMIP Trust Fund), managed by the European Investment Bank (EIB). Its purpose is to help Mediterranean Partner Countries to fight climate change by providing grants targeted at specific climate initiatives, such as:

- identifying, catalysing and preparing climate action investment projects that could subsequently benefit from EIB financing; and
- funding actions to improve the enabling environment in relation to climate investments among public and private institutions.

Grant support can be used to finance:

- technical assistance: to support climate risk and vulnerability assessments, feasibility studies, environmental and social impact assessment studies and targeted capacity-building activities; and
- specific equity operations.

The CAMENA envelope was created on the initiative and with the exclusive support of the UK Department for International Development (DFID), which contributed GBP 15m for a four-year period (2015-2018).

Where does CAMENA operate?

Projects in Algeria, Egypt, Palestine, Israel, Jordan, Lebanon, Morocco and Tunisia are eligible for support. Cross-border or regional projects are also welcome¹.

CAMENA strategic priorities for the MENA region

- Tackling the causes of instability and supporting longer-term development objectives
- Environmental and social benefits
- Strengthening resilience to climate change
- Economic growth with lower greenhouse gas emissions



CAMENA priority sectors:

- Renewable energy
- Energy efficiency
- Sustainable transport
- Solid waste
- Sustainable urban development
- Forestry and land use
- Research, development and innovation
- Adaptation activities in all sectors



¹ Libya is also eligible if a Framework Agreement with the country is signed. Syria was eligible until the EU implemented sanctions in November 2011, at which time the EIB suspended all loan disbursements and technical advisory contracts for projects.



Why is climate action needed for the MENA region?

Climate change is already severely impacting the region. The Intergovernmental Panel on Climate Change's 2014 report predicts that this is likely to worsen – most of the MENA region is expected to become hotter and drier. Increasing temperatures and reduced or more erratic precipitation will increase the occurrence of droughts, an effect that is already materialising in the Maghreb, the western part of North Africa. There is a high probability that by 2025, 80 to 100 million people will be exposed to water shortages as climate change puts more pressure on already over-exploited surface and groundwater resources. Other climate-related hazards – such as prolonged heat waves – will affect well-being and health conditions, particularly in densely populated urban areas. At the same time, the region is also expected to be hit by more severe and frequent extreme events, including intense precipitation and flooding in some regions, with potentially serious impacts in terms of economic losses.

The effects of water scarcity and other hazards on food security will also result in human welfare issues and lower economic indicators.

Increasing resilience to climate change by investing in adaptation and strengthening adaptive capacities at all levels is therefore a key priority both for the Mediterranean countries' governments and for their international partners.

Mediterranean countries can also contribute to reducing greenhouse gas emissions both in the region and in neighbouring areas. By harnessing their significant and largely untapped renewable energy sources (e.g. solar), Mediterranean countries can increase the use of renewables both locally and in adjacent regions. This will have positive economic returns, particularly if it goes hand-in-hand with strengthened integration of national and regional energy markets, energy subsidy reforms and increased efforts in energy efficiency.



FEMIP Trust Fund

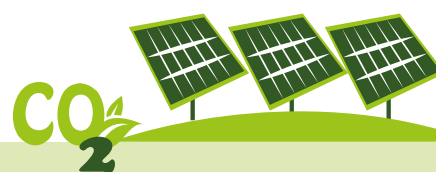
The FEMIP Trust Fund, established in 2004 and managed by the EIB, is a multi-donor, multi-purpose and multi-sector fund whose main objective is to support development processes in the Mediterranean Partner Countries. It is focusing on four priority sectors for 2014-2020: 1. Finance and micro, small and medium-sized enterprises (MSMEs); 2. Infrastructure; 3. Environment; 4. Human capital and research, development and innovation, with enhanced support provided through the dedicated Impact Investment Envelope and the CAMENA Climate Action Envelope. It also supports the FEMIP internship programme and the FEMIP secondment programme.

By October 2017, 16 EU Member States and the European Commission had contributed a total of around EUR 67.6m to the Fund.

Why is the EIB involved?

The EIB has been the leading International Finance Institution in the MENA region for more than 30 years. The Bank's technical advisory and financial support for Mediterranean Partner Countries has been intensified through the use of the FEMIP Trust Fund as a key instrument for blending activities within the region.

Successful cooperation between the EIB and the partner countries in the MENA region is based on well-established relationships with host governments, the Bank's due diligence and safeguard procedures.



How does it work?

Who can propose an operation?

Public authorities and other project promoters can submit a proposal to the EIB for a CAMENA project within the remit of the FEMIP Trust Fund. The EIB may also initiate a proposal.

Who approves an operation?

The EIB's governing bodies approve all operations including those to be financed from the CAMENA envelope prior to their submission to the FEMIP Trust Fund's Assembly of Donors for a financing decision.

Who manages the operations?

Operations are originated, developed and implemented by the EIB, using either in-house expertise or external consultants.





Examples of CAMENA projects under implementation

So far, CAMENA has provided grant support for five operations with a total value of EUR 1.8m. Six additional operations, for a total amount of around EUR 7.4m, are ready to start implementation in the coming months in Lebanon, Tunisia, Morocco and Jordan.



Technical assistance in support of the South Lebanon water and wastewater project (Lebanon)

CAMENA's technical assistance grant is aimed at supporting the promoter and the other Lebanese institutions involved in the management, implementation and initial operation of the South Lebanon water and wastewater investment project funded by the EIB. Capacity building essentially consists of two components:

1. Component I – Project management support
2. Component II – Institutional development support for SLWE.

Potential nationally appropriate mitigation actions in the Mediterranean Partner Countries - NAMA study (regional)

CAMENA and the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) came together to finance a NAMA study aiming to support the implementation of NAMA projects, thereby creating opportunities for climate action investments in the Mediterranean region in both the short and long term. In the long term the study will facilitate the emergence of new climate investments, as it will both map the development stages of current NAMAs and analyse gaps where International Finance Institutions can intervene to develop them, e.g. via support for financial structuring and modelling or capacity building. This will provide a pipeline of opportunities for future investments. In the short term, the study will focus on analysing a number of NAMA projects that could already be taken forward to a pre-feasibility phase.

Alexandria West wastewater treatment plant extension and upgrade (Egypt)

The main objective of this technical assistance operation is to prepare a technical, economic, financial, environmental and social feasibility study for upgrading and extending the Alexandria West wastewater treatment plant to serve the needs of the plant's catchment areas up to the year 2050. This will include an assessment of the environmental and social impacts of the project, as well as advice on any social and governance issues which need to be addressed to ensure its sustainability. It will also advise on the climate change adaptation and mitigation aspects of the investment while ensuring the investments are resilient to climate change.

This operation will be followed, once completed, by another, this time providing assistance in tendering a project implementation consultant.





Deir Alla and Al-Karameh water supply and sanitation project (Jordan)

This technical assistance operation comprises the preparation of baseline and feasibility studies for the upgrade of the water supply system and for provision of a new wastewater collection and treatment system. The technical assistance will investigate the necessity as well as the technical, economic, financial, social and environmental feasibility of the following measures, with the objective of preparing an investment project for the:

- rehabilitation and upgrading of the existing water supply system; and
- improvement of the wastewater collection and wastewater treatment system. In particular, possibilities to improve pressure management in the water supply system and the reduction of non-revenue water will be taken into account as well as low-cost solutions for a wastewater collection and treatment system.



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