



The European Investment Bank
and the Euro-Mediterranean partnership:
Business opportunities for Italian SMEs in the Mediterranean region

**Facility for Euro-Mediterranean Investment and
Partnership (FEMIP): EIB's lending arm in the
Mediterranean**

Flavia Palanza,
FEMIP Director, EIB
Rome, 11 December 2014

1. The European Investment Bank: an overview
2. Financial instruments, eligibility criteria and project cycle
3. Activities in the Mediterranean

The EU Bank



- Financing partner for the EU institutions since 1958
- More than 90% of lending is within the EU
- Shareholders: 28 EU Member States

Investing in Europe's growth

EIB at a glance

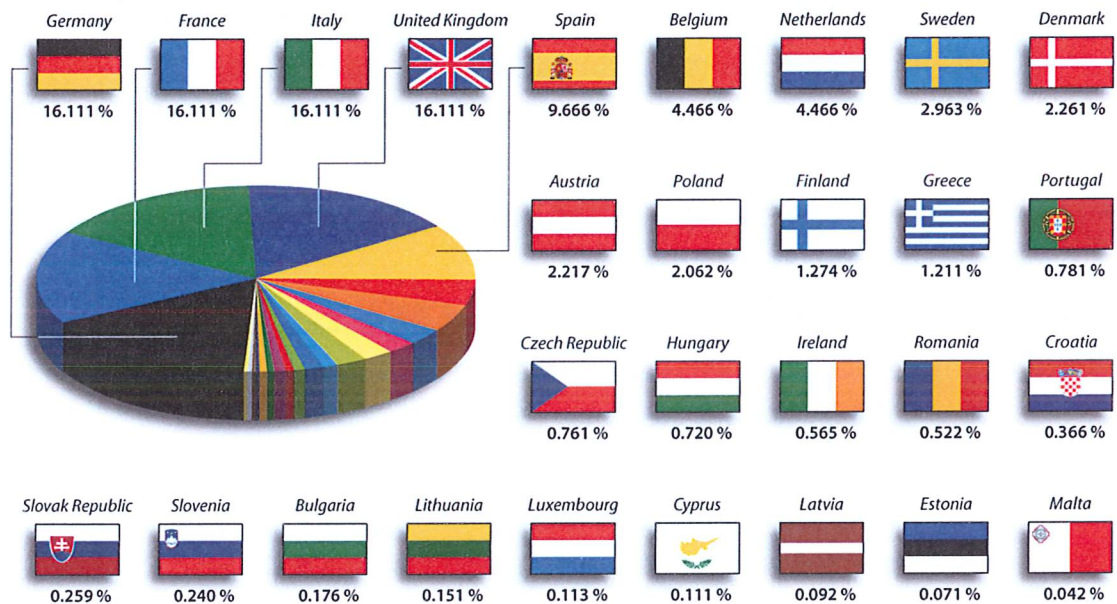
European Union's long-term lending bank set up in 1958 by the Treaty of Rome. The EIB contributes to the realization of investment projects that further the economic, social and political cooperation priorities of the EU.

- Shareholders: 28 EU Member States
- Subscribed capital (July 2013) €243.2 bn
- Total lending 2013: €71.7 bn of which:
 - €64.4 bn European Union
 - €7.7 bn outside the EU
- Rating: AAA

EIB at a glance

- Largest multilateral lender and borrower in the world
 - Raise our funds on the international capital markets
 - Pass on favourable borrowing conditions to clients
- Some 440 projects each year in over 160 countries
- Headquartered in Luxembourg and 28 local offices
- Around 2 100 staff:
 - Not only finance professionals, but also engineers, sector economists and socio-environmental experts
 - More than 50 years of experience in financing projects

EIB capital breakdown



1. The European Investment Bank: an overview
2. Financial instruments, eligibility criteria and project cycle
3. Activities in the Mediterranean

Our products

- We help catalyse investment

LENDING	BLENDING	ADVISING
Loans But also: Guarantees Private equity Microfinance	Combining EIB finance with EU budget	Sector-focused initiatives: Transport Energy Water Urban SMEs

EIB lending project cycle





European
Investment
Bank

The EIB bank

Eligibility criteria : What kind of projects are we looking for?



Sustainable & bankable projects

- financially viable, acceptable economic return, appropriate credit risk
- technically sound, compliant with environment protection, procurement regulations and prevailing social legislation and norms

What are the terms and conditions?

- generally operates on **close to market related terms**
- Long maturities & grace period (usually not available locally except from other IFIs/DFIs), different interest options/ currencies
- Lending/equity investment often combined with TA or similar support (grant funded), subsidies depend on Mandate/Blending

EIB value added?

- **REM** measures added-value of projects from an economical, environmental, social and governance perspective
- Acts as a **catalyst** in mobilising local / foreign lending, e.g. MRI
- **Complementarities** with operations/ instruments of EU, bilateral or multilateral institutions

Terms and conditions

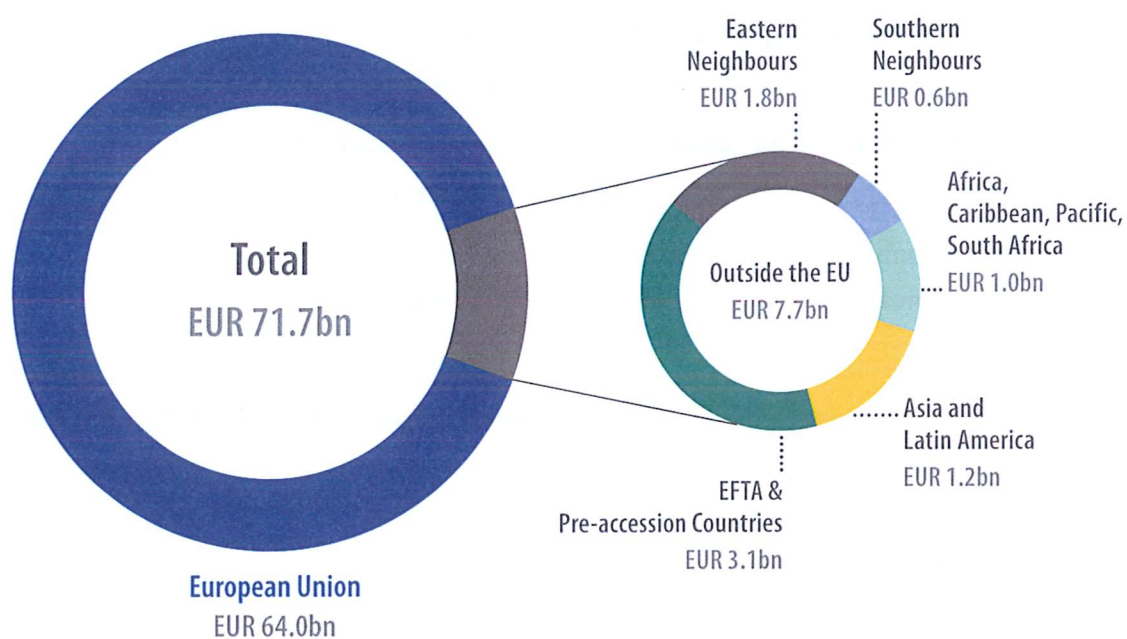
- EIB generally operates on close to market related terms
- Fixed or variable rates
- Long maturities and grace periods (usually not available locally except from other IFIs or DFIs)
- Direct or indirect intervention
- Lending/equity investment often combined with TA or similar support (grant funded)
- Maximum 50% of total project cost



Subsidies are available in certain cases for TA, capacity building or to ensure concessionality for public sector operations

1. The European Investment Bank: an overview
2. Financial instruments, eligibility criteria and project cycle
3. Activities in the Mediterranean

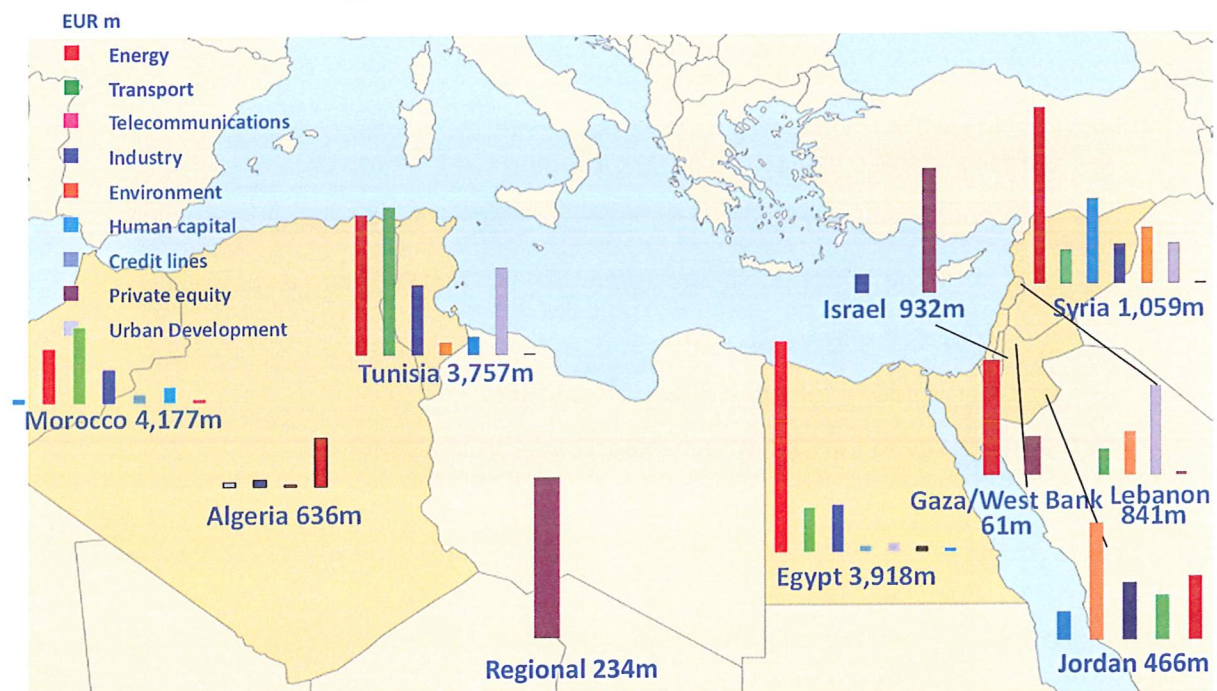
Lending totals 2013



FEMIP priority sectors

- **Develop economic and social infrastructure**
 - support substantial investment needed across sectors
- **Promote MSMEs and local private sector development**
 - ensure availability of finance throughout the MSME lifecycle
- **Build capacities in the region**
 - share know-how to develop, implement and monitor projects
- And in all these activities, a **cross-sectoral approach** on three key themes:
 - **Job creation**
 - **Climate change mitigation and adaptation**
 - **Regional integration**

FEMIP lending



Amount signed from October 2002 to date: EUR 16.1bn



Available resources 2014-20

- European Union guarantee of **EUR 13 billion**
 - Private sector projects benefit from a political risk guarantee
 - Public sector and sub-sovereign projects benefit from a comprehensive guarantee
- Up to EUR 300 m for equity investment funds
- Subsidies from European Commission and Trust Funds

Project Example

Ouarzazate solar power plant



Ouarzazate solar power plant

Part of the **Moroccan Solar Plan**. If fully developed (**2GW target capacity**), the largest solar power plant in North Africa.

Project promoter is the **Moroccan Agency for Solar Energy (MASEN)**.

Independent power producer (IPP) to implement the project was selected by MASEN through competitive bidding.

Total project volume: approximately **EUR 807 million**

Grant contribution: **EUR 30 million to bring down the cost of electricity during the initial stage of the project.**

JORDAN INDIA FERTILIZER

Project Example

Project involves the development, construction and operation of a phosphoric acid complex with a capacity of 475,000 tonnes/year.

The greater part of its production is expected to be sold to the Indian joint venture partner, IFFCO, for fertiliser production in India.

The project site is located at the Eshidiya mine site, some 200 km north-east of Aqaba, the export port of Jordan.

Projects signed in 2014

Contract name	Amount (EUR m)	Country	Sector	Signature Date
EL SHABAB POWER PLANT	205	Egypt	Energy	09/02/2014
ETAP SOUTH TUNISIAN GAS	150	Tunisia	Energy	04/03/2014
PROGRAMME DE MODERNISATION ROUTIERE	150	Morocco	Transport	19/03/2014
PG VI TUNISIE B	100	Tunisia	Credit lines	28/04/2014
KAFR EL SHEIKH WASTE WATER TREATMENT (EGYPT)	77	Egypt	Water	05/06/2014
PRIVATE SECTOR FACILITIES IV	90	Lebanon	Credit lines	11/06/2014
FIRST NATIONAL BANK	12	Lebanon	Services	11/06/2014
EUROMENA III FUND B	10	Regional - Mediterranean	Services	11/06/2014
MODERNISATION ETABLISSEMENTS SCOLAIRES	70	Tunisia	Education	19/06/2014
MEGALIM SOLAR THERMAL PLANT	150	Israel	Energy	26/06/2014
ABRAAJ NORTH AFRICA FUND II	20	Regional - North Africa	Services	30/06/2014
CAPMEZZANINE FUND II B	6	Regional - North Africa	Services	30/06/2014
ATTADAMOUNE (AMSSF II)	2	Morocco	Services	04/08/2014
OMV SOUTH TUNISIAN GAS	230	Tunisia	Energy	08/09/2014

Unlocking opportunities

- The opportunities equation: Potential large market (total population over 380 m for MENA) + large infrastructure needs + competitive advantages in sectors:
- Renewable energy: Highest world rates of sunlight duration of more than 3,500 hours per year; progressive awareness by governments on potential. Study carried out by the EIB shows that pipeline of RE project in the MENA amounts to 10.3 GW for 90 projects.
- Transport sector: key transport interconnections still missing. EIB working on the development of key logistics platform in the region with connection to the hinterland.
- Health, education and urban development: large demand for projects in the social sectors. EIB financing social housing and considers opportunities for PPPs to bring in the private sector.
- Heritage and tourism: Economic performance of tourism in MENA region has been surprising, given the security risks, natural disasters, oil price rises and economic uncertainties in the region. Potential for growth is evident. EIB is deploying Medinas 2030 initiative for sustainable and integrated rehabilitation of historic city centers.
- Niche markets: opportunities in mobile banking sector, agri-business, health and pharmaceutical sectors, media and IT sectors, broadband connections etc...

Thank you!

More information at: www.eib.org

info@eib.org

Tel. : +352 4379-22000