



Facility for Euro-Mediterranean Investment and Partnership



FEMIP

Financing operations in Jordan

FEMIP¹, the European Investment Bank's Facility for Euro-Mediterranean Investment and Partnership, is the key player in the financial partnership between Europe and the Mediterranean and provided nearly EUR 14.2 billion of finance between its inception in October 2002 and December 2012.

In times of transition, FEMIP is providing a sustained response to Mediterranean partner countries' needs by supporting projects that contribute to cohesive and economically strong societies. Against this backdrop, FEMIP's objective will be to drive growth and partnerships for and with the Mediterranean.

As the European Union's financing institution, the European Investment Bank (EIB) supports Jordan's drive towards a competitive and modern economy. Since 1978, the EIB has lent EUR 940 million, mainly for industrial, energy, water, education and transport projects and to help develop the private sector. At the first meeting of the EU-Jordan Task Force in Amman on 22 February 2012 the EIB signalled a strong commitment to increase its lending activity in the country with estimated lending of up to EUR 400 million over the next few years.

About FEMIP

FEMIP brings together the whole range of services provided by the EIB in the Mediterranean partner countries.

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. In addition, a further EUR 2 billion is available for activities to combat climate change outside the European Union.

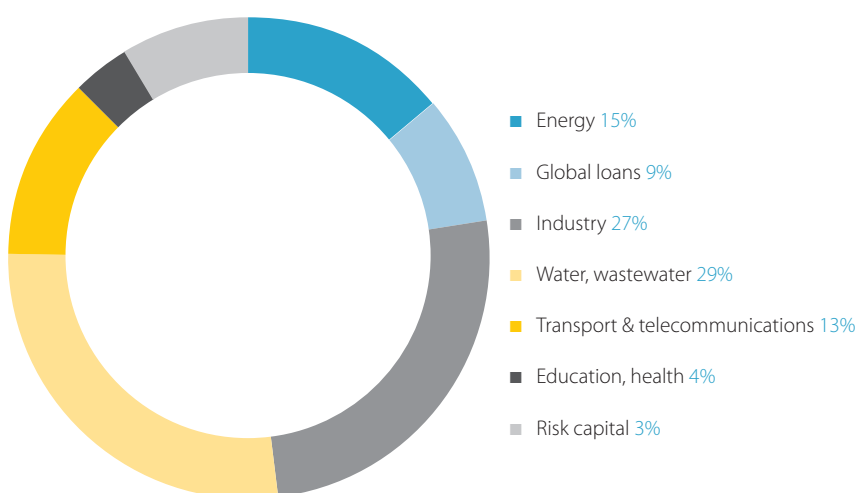
Under the European Neighbourhood Policy and in the context of the Union for the Mediterranean, FEMIP encourages the modernisation and opening-up of the economies of the Mediterranean partner countries. Activities focus on two priority areas: developing the private sector and creating an investment-friendly environment.

¹ FEMIP brings together the whole range of services provided by the EIB in the Mediterranean partner countries (Algeria, Egypt, Gaza/West Bank, Israel, Jordan, Lebanon, Morocco, Syria, Tunisia and soon Libya).

The EIB in Jordan

- EUR 250 million has been provided for industrial projects, including the building of manufacturing facilities for bromine on the southern shore of the Dead Sea, the development of a phosphate mine in south-eastern Jordan and the construction of a magnesium production plant.
- EUR 135 million has gone to energy transmission and distribution projects and the construction of a regional gas pipeline across Jordan.
- EUR 86 million has been advanced to local banks in the form of credit lines for onlending to small and medium-sized enterprises (SMEs).
- EUR 275 million has been made available to finance water distribution and sanitation infrastructure, including the restructuring and rehabilitation of the water distribution and conveyance network in Greater Amman and a project for supplying water to the capital.
- EUR 123 million has gone to finance major transport and telecommunications projects in Jordan, including over EUR 60 million for the construction of the Amman ring road.
- EUR 40 million has been provided to assist with the reform of the elementary education system and schools in Jordan.
- EUR 25 million has been supplied by the EIB to support the private sector through direct equity investments in mid-sized private companies, investment funds and co-investments with local intermediaries.
- Over EUR 6.5 million has gone to support the preparation and implementation of projects, mainly in the financial and transport sectors.

Sectoral breakdown of operations in Jordan (1978-2012): EUR 940 million



FEMIP boosts private equity

To support SME activity in Jordan, the EIB is contributing to two private equity funds. In 2012, the EIB provided up to EUR 4 million for the Badia Impact Fund, a closed-end venture capital fund incorporated in the Netherlands. The fund seeks to invest seed, start-up and expansion capital in early and growth-stage technology, media, and telecoms SMEs located predominantly in Jordan or one of the other Mediterranean partner countries.

Also in 2012, the Bank invested EUR 5 million in a private equity later-stage fund. This fund will finance the expansion opportunities of established local companies, for which the private equity financing that is critical for the growth of a successful entrepreneurial industry is lacking.



FEMIP – a forum for dialogue

FEMIP involves the Mediterranean partner countries in its lending policy guidelines through constructive discussions on economic, financial and sectoral matters. This dialogue operates at three levels:

- the FEMIP Ministerial Meeting, which brings together once a year the Euro-Mediterranean Ministers of Economy and Finance;
- the FEMIP Committee, which is composed of representatives of the Member States, the Mediterranean countries and the Commission. It meets several times a year and has the remit of discussing FEMIP's strategy, approving its annual report and issuing opinions on the launch of new financial products;
- the FEMIP Conferences, which periodically bring together representatives from the private and public sectors and civil society, academics and experts to discuss topics relating to regional integration and economic development in the Mediterranean partner countries. In 2012, the EIB organised a regional FEMIP Conference on sustainable tourism in partnership with Jordan's Ministry of Tourism.

FEMIP supports Jordan's phosphate industry

A EUR 81 million loan to the Jordan India Fertiliser Company is supporting the construction of a phosphoric acid production complex in Eshidiya. The output will be exported to India, the world's largest importer of phosphate products.

This operation will create 750 temporary jobs during construction and 600 permanent jobs and increase local skills and expertise. By generating significant export earnings and tax revenues for Jordan the project will help to increase the competitiveness of the Jordanian economy.





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Direct loans and private equity financing can be requested directly from the EIB. Applications for the financing of smaller-scale projects should be addressed directly to the financial institutions or commercial banks to which the EIB has granted credit lines. A list of the partner institutions in Mediterranean countries and other information on lending can be found on the EIB's website (www.eib.org/femip).

FEMIP products

- Long-term direct loans for large-scale projects (costing more than EUR 25 million)
- Credit lines for intermediary banks, which onlend the funds to finance investment undertaken by small and medium-sized enterprises or local authorities
- Credit lines for microfinance institutions
- Private equity (direct equity or quasi-equity investments in unlisted companies, private equity funds and co-investments with local intermediaries)
- Technical assistance to strengthen the capacity of Mediterranean partner countries and promoters and to finance upstream studies and activities focusing on the development of the private sector

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