

PRESS RELEASE

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15th FEMIP Conference: EIB reinforces innovation, entrepreneurship and jobs in the Mediterranean region in partnership with the Luxembourgish Presidency of the Council of the EU and the UfM

On 26 October 2015 in Luxembourg, the European Investment Bank (EIB) hosted the 15th FEMIP Conference in partnership with the Luxembourgish Presidency of the Council of the European Union, and the Union for the Mediterranean (UfM). The conference was inaugurated by Nicolas Schmit, Luxembourg Minister of Labour, Ramon Escolano, and Vice President of the EIB and Fathallah Sijilmassi Secretary General of the UfM and was concluded by Werner Hoyer the President of the EIB and Jean Asselborn, Luxembourg Minister of Foreign Affairs. The meeting explored the links between private sector finance, entrepreneurship and job creation, with a focus on the tools for financing pioneering investments in the Mediterranean region¹.

The Mediterranean region will see a large number of new entrants to the labour market by 2025. Creating employment opportunities, in particular for young people, is thus a key priority for the Mediterranean countries. A strong public – private partnership is needed to drive growth. Whilst the role of the public sector is essential to further strengthen the enabling infrastructure and regulatory environment to underpin the growth potential, the private sector will be critical to drive employment and job creation.

As one of the main lenders in support of economic and social development of the EU's Mediterranean partners, the EIB provided EUR 1,322 million since 2011 to support the private sector in the region through direct loans, bank-intermediated SME facilities, micro finance and equity risk capital.

As part of its private sector operations, the Bank's commitment to support and develop the SME sector is evident. Recently signed credit lines totalling EUR 70 million, provided to "Banque Tuniso-Koweitienne" (BTK) and to AMEN bank in Tunisia, demonstrate this commitment. The two operations were developed in close cooperation with *Réseau Entreprendre*, an SME support association. The lines of credit *enable BTK and AMEN Bank to offer Micro enterprises and SMEs funding on favourable terms, for investment projects and working capital needs in wide range of sectors such as manufacturing, and tourism, and is expected to also contribute to the transition of the informal into the formal economy in Tunisia. Thanks to the cooperation with Réseau Entreprendre, technical assistance is also provided to Micro and SMEs aiming at good governance, sustainability and viability of these enterprises.*

The Seed Accelerators programme is an example of a project that supports entrepreneurship in the whole of the South Mediterranean region. The EUR 2 million programme provides seed capital and technical advice to entrepreneurs to help them in accelerating the creation of companies. The programme aims to support five accelerators in the region by financing training

¹ Programme and documents available on the EIB website:

<http://www.eib.org/infocentre/events/all/15th-femip-conference.htm>

via a EUR 0.8 million TA component, to complement seed funding of up to EUR 1.2 million through the creation of a platform.

“As the most successful entrepreneurs themselves know, “It’s not just about ideas. It’s about making ideas happen.” Now then, we must move to implementation”, said Werner Hoyer the president of the EIB in the closing of the conference.

The EIB is already moving in this direction. With over half a billion euros of financing for SMEs over the last 18 months, The Bank’s commitment and presence is clear. The EIB is developing financial instruments to promote market access and regional exchanges, in support of future Deep and Comprehensive Free Trade Areas with the EU. New solutions are being considered to support MSMEs, and corporates, along a value chain approach to identify gaps in the market for finance and develop adapted instruments aiming to fill those gaps. The Bank will continue combining technical advisory services with financing for companies which need to make investments in order to benefit from trading opportunities. The EIB is also preparing for the extension of the European Finance for Innovators (InnovFin) tools to the Mediterranean, in partnership with the EU’s Horizon 2020 programme. InnovFin consists of a series of products, which will facilitate access to finance for innovative business. In addition, the Bank is devising new equity offerings to help an even broader range of businesses to get off the ground.

On the margin of the conference, the Luxembourgish Presidency of the Council of the EU launched an initiative to support youth employment in Algeria, Morocco and Tunisia through vocational training. The initiative seeks to bring together public institutions in the three countries and private sector developers to provide capacity building that triggers entrepreneurship in the three North African countries as a pilot that shall be replicated at a later stage to include Mashrek countries.

A longstanding partner of the EIB, the UfM is carrying out important work on policies to reinforce ecosystems friendly to innovation, entrepreneurship and employment opportunities notably in the framework of its Med4Jobs programme. The UfM currently works on 13 projects to promote youth employability and inclusive growth. More than 200,000 young people are expected to benefit from these projects. UfM launched last year a strategy for the private sector development, to engage private sector players in addressing the region’s challenges.

The FEMIP conference underlined that there are ways in which successful projects and mechanisms to boost innovation and entrepreneurship, including those already applied successfully in other regions, could be adapted, replicated and scaled to meet the needs in the Mediterranean region.

In the closing remarks to the conference, the Minister of Foreign and European Affairs of Luxembourg, Jean Asselborn, stressed that “the partnership between the EU and countries in the South of the Mediterranean has to be reinforced in the future so that our mutual interests can be successfully addressed” while giving an overview of the challenges and opportunities that currently present themselves in the Mediterranean region.

Note to editors

The EIB, which is the bank of the European Union, is among the leading financial investor in the Mediterranean. Since 2002, the EIB has been committed to supporting economic and social development and improving people's living conditions in the Mediterranean partner countries through its expertise-based financing facility FEMIP. With investment totalling EUR 18 billion, over the years this commitment has rested on two principles: permanent dialogue with the Mediterranean partner countries with a view to providing the best possible response to their economic and social priorities; and bilateral and multilateral cooperation in order to maximise synergies and improve operational effectiveness.

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