EUROPEAN INVESTMENT BANK
CAISSE DES DEPOTS

Medinas 2030 – The Way Forward

4th Scientific Committee Meeting
Marseille, 26 April 2013
Presentation Outline

• Recap – what has been achieved
• Conclusions
• Future orientations
• What might an EIB-supported medina framework loan look like? Tools and mechanisms
• Sharing best practice
What has been achieved

- Detailed diagnostic of the medina context, country context, and challenges
- Lessons learnt from existing medina rehabilitation projects
- Experience of existing medinas agencies shared
- Identification of potential financing instruments
- Potential investments in selected medinas identified
- Creation of a “medinas brand”
Conclusions (1)

- The Medinas 2030 initiative has momentum
- Medina rehabilitation is one of the most challenging areas for intervention:
  - Large number of stakeholders
  - Regulatory uncertainty eg. over cadaster, institutional responsibility
  - Individual investments may be very small and localised
  - Lack of revenue generation
  - Local project preparation capacity constraints
Conclusions (2)

• Sustainable investment in Medinas brings important economic benefits
• Medinas are part of the city fabric, but Medina investments should not be “lost” in wider urban investment programmes
• Medina agencies can provide a key focus
• Technical assistance needed for project preparation
• Investment grant assistance highly beneficial
• Local and national support critical
Future Orientations (1)

• Proposal is that the Medinas 2030 initiative should continue
• Medinas 2030 should now move to an Operational Phase
• Medina-oriented programmes or projects need to be developed, making use of the Pre-Operational Study
• On-going need to share experience e.g. via Sud-Med programme at the CMI
Future Orientations (2)

• Given “urban” complexity, prioritise use of “simple” financing instruments
• But, build cost recovery for future use of more complex instruments.
• Link to existing instruments where feasible (e.g. micro-finance, SME financing)
• For an IFI like EIB, a “programme” or “framework” approach appears most suitable
• A mix of loan, investment grant and TA grant is likely to be most suitable.
What might an EIB-supported medina framework loan look like?

- **Pre-requisites:**
  - Central ministry counterpart / sovereign guarantee
  - Programme of medinas for inclusion (e.g. drawing from but not limited to pre-operational study)
  - Strong local involvement medina by medina
  - Agreed criteria for investment (drawing from pre-ops study)

- **Components**
  - Investments in medina rehabilitation: infrastructure renewal, selective building refurbishment, related infrastructure around the medina (e.g. parking, urban transport)
  - Technical support: programme support at national level for project review, support to local medina agencies, preparation and implementation support, development of more complex instruments and cost recovery measures

- **Funding**
  - EIB loan, other IFI co-financing, national contribution, donor investment grant, donor TA grant support

- **Linkages**
  - E.g. EIB-funded micro-finance institutions incentivised to offer services in the medina?
Example of “similar” approach: EU Programme on Integrated Housing and Community Development in Egypt

EU Programme on Integrated Housing and Community Development

- Community Development Programme
  - NIF €15 grant
  - EIB €45m loan
  - Total cost €90m

- Unplanned Areas and Slum Upgrading Programme
  - NIF €15m grant
  - AFD €30-40m loan
  - Total cost €45-55m

- Upgrading of Informal Areas
  - NIP €20m grant
  - GIZ €3.5m grant
  - Total cost €23.5m

NIF Investment Grant and TA

NIP 2011
Example: EIB Community Development Programme (continued)

- Promoter: Social Fund for Development
- Borrower: Arab Republic of Egypt
- Project: (i) Community infrastructure and housing; (ii) Micro and SME development; and (iii) Services of industrial clusters.

<table>
<thead>
<tr>
<th>Finance Plan</th>
<th>M EUR</th>
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<tr>
<td>EIB loan</td>
<td>45</td>
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<tr>
<td>NIF grant</td>
<td>15</td>
</tr>
<tr>
<td>SFD own resources</td>
<td>15</td>
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<tr>
<td>Beneficiary equity</td>
<td>15</td>
</tr>
<tr>
<td>Total</td>
<td>90</td>
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- Framework Loan (for small projects to larger projects)
- NIF grant to reconcile FIRR and EIRR
- SFD solid track record of IFI projects
- PPIU to ensure quality and sustainability
- Cooperation with established players, e.g. Aga Khan
Technical Assistance resources used by the EIB in the urban sector

- **FEMIP Support Fund**
  - Direct TA for projects, for example: TA for Social Housing Infrastructure in Morocco followed up by a project

- **FEMIP Trust Fund (for upstream activities)**
  - TA Study to prepare an Urban Renewal and Regeneration Operation in the Historical Centre (medina) of Meknes
  - Feasibility of Medinas 2030 Investment Programme: Pre-operational study on rehabilitation of historic city centres (medinas) in S. & E. Mediterranean towns
  - Identification Study for Urban Renewal and Development in the Southern Mediterranean Region

- **Neighbourhood Investment Facility (NIF)**
  - TA or Investment Grant
  - Examples: Urban Projects Finance Initiative (5M of TA resources for urban renewal projects); EIB Community Development Programme in Egypt (15M grant)
Sharing best practice

• Medinas 2030 networking should continue via the CMI under the SUD-MED programme:
  – **Sustainable Urban Development in Mediterranean Cities**
  – A Programme under CMI 2.0 to disseminate experience from Medinas 2030 and Urban Project Finance Initiative

• A pilot national medinas agency (if developed) could potentially provide for international exchange as well as serving as a national focus

• A dedicated international medinas agency not considered appropriate
Thank you