



**EUROPEAN INVESTMENT BANK  
CAISSE DES DEPOTS**

**Medinas 2030 – The Way Forward**

*4<sup>th</sup> Scientific Committee Meeting  
Marseille, 26 April 2013*



# Presentation Outline

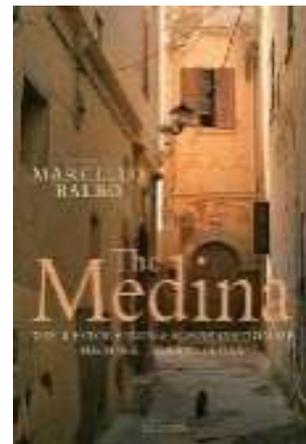


- Recap – what has been achieved
- Conclusions
- Future orientations
- What might an EIB-supported medina framework loan look like? Tools and mechanisms
- Sharing best practice



# 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.

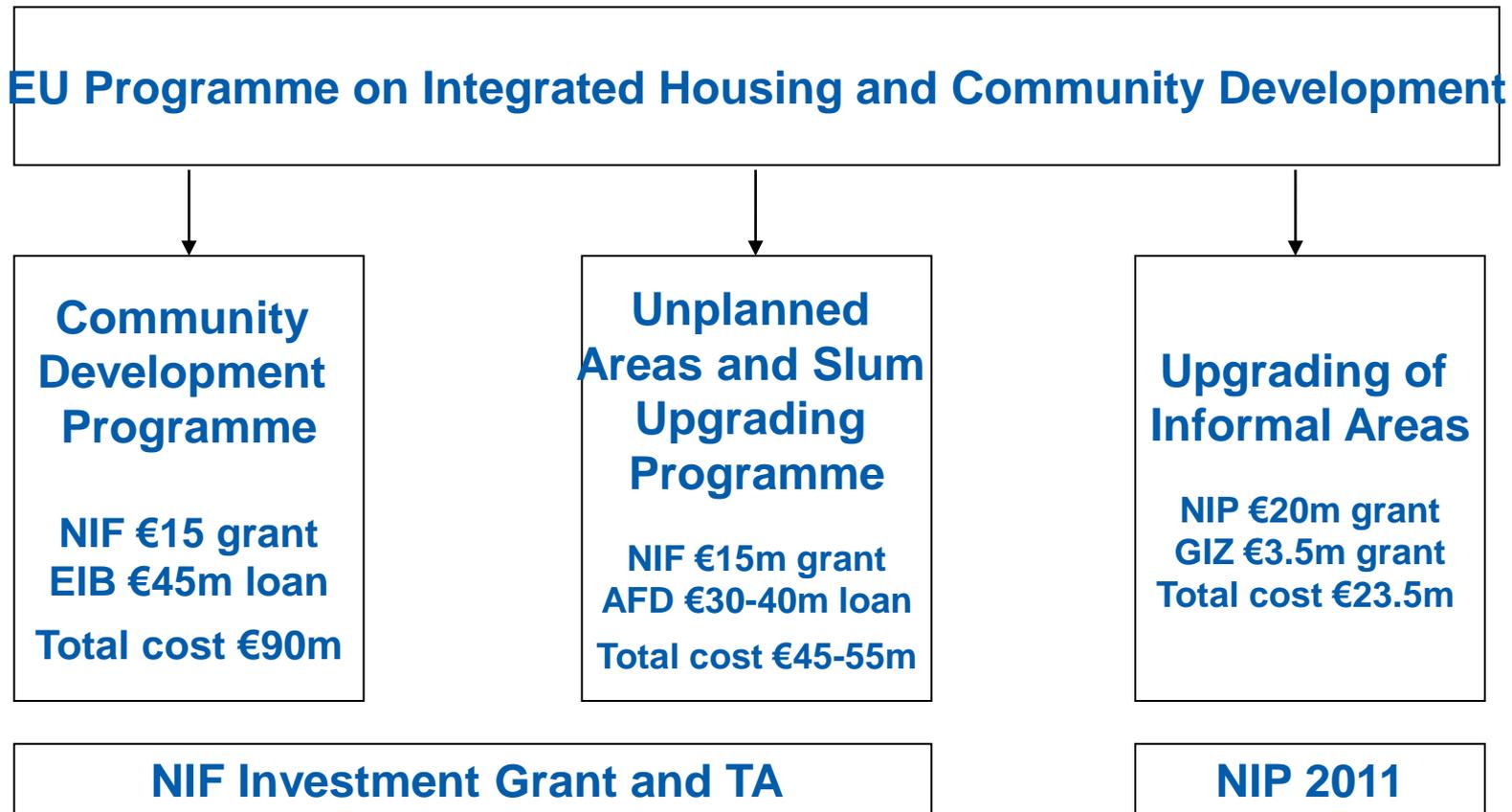


# What might an EIB-supported medina framework loan look like?

- 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





## 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.

Finance Plan	M EUR
EIB loan	45
NIF grant	15
SFD own resources	15
Beneficiary equity	15
Total	90

- **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**