



25 October 2011

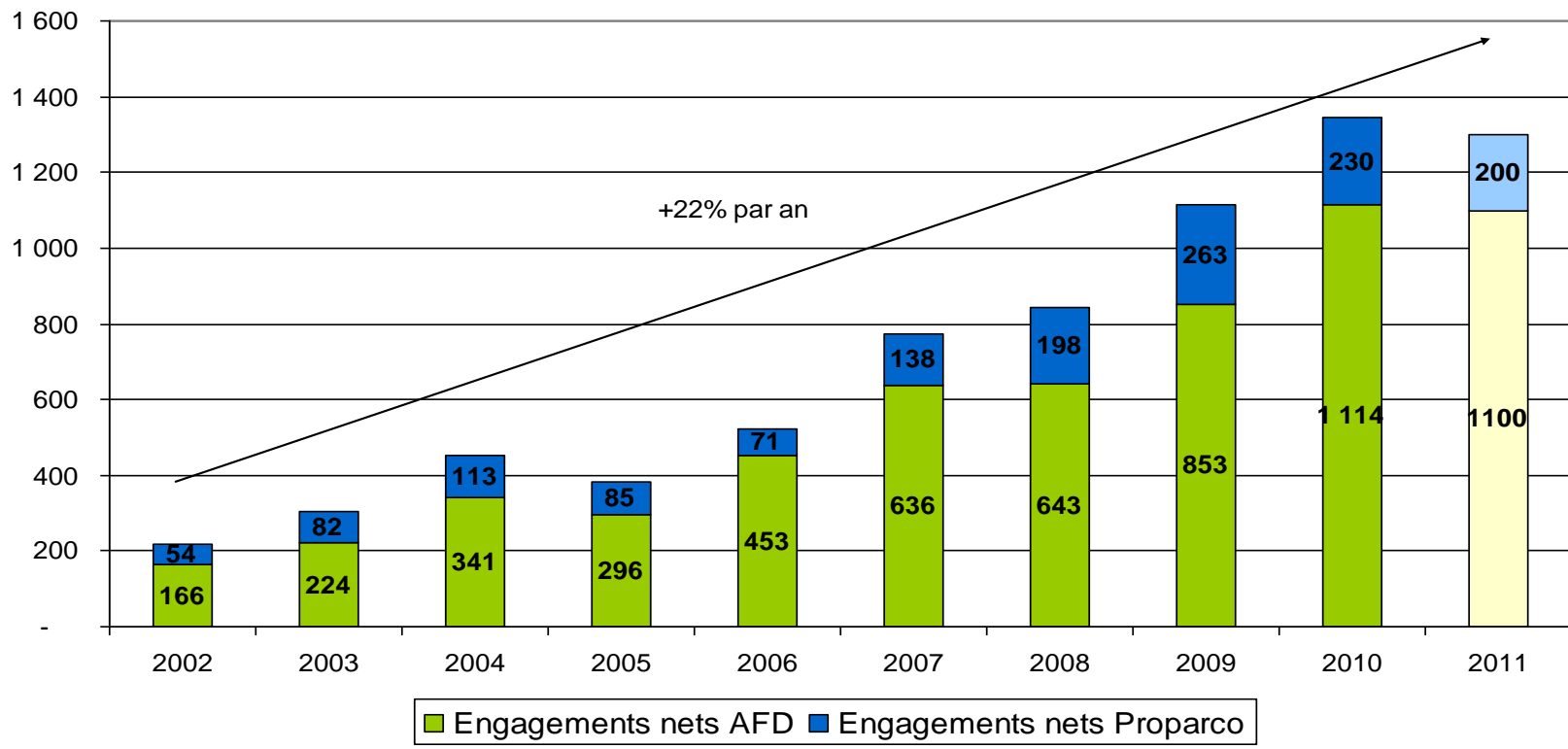
AFD ACTIVITIES IN THE MEDITERRANEAN REGION

développeur d'avenirs durables

Evolution of AFD activity in the region 2002/2011



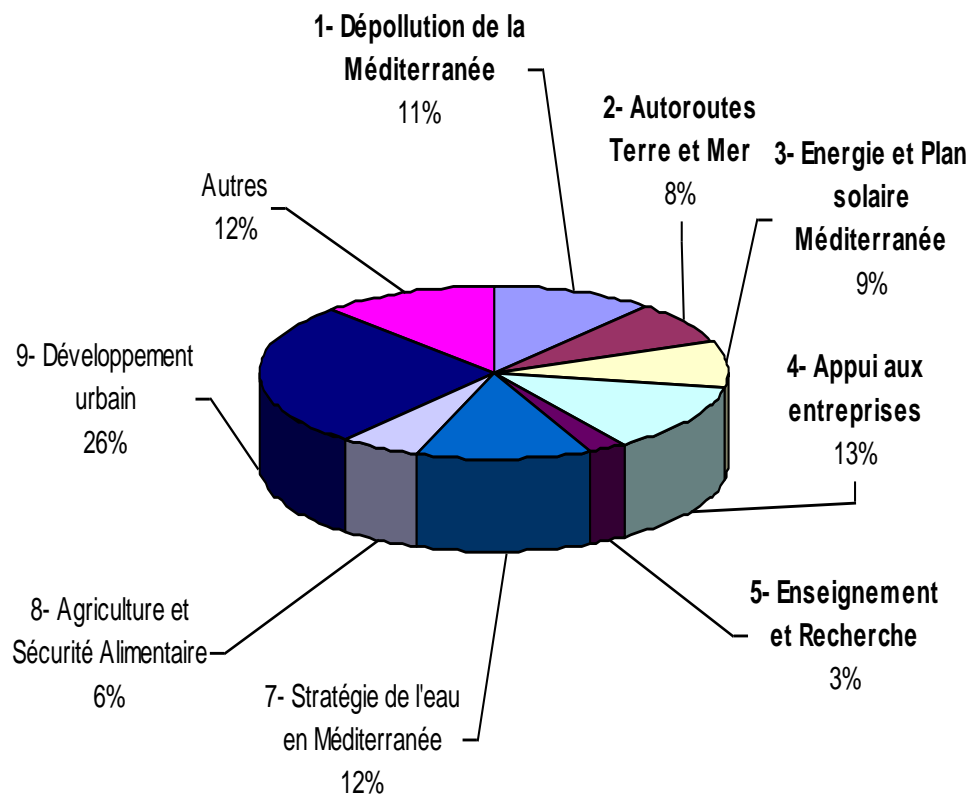
**Engagements du Groupe AFD
sur la zone Méditerranée - Moyen-Orient (M€)**



APPROVED COMMITMENTS according to UfM priorities



Prévisions d'engagements de l'AFD (hors Proparco) selon les priorités de l'UpM (2009-2011)



6 UfM priorities (Paris conf. – July 2008) :

1. Depollution of the Mediterranean Sea
2. Sea and land highways
3. Alternative energies
4. Development of private enterprise
5. Research and learning
6. Civil protection

+ 3 additional priorities for French cooperation:

7. Water
8. Agriculture and food safety
9. Sustainable urban development

New challenges for the region



- Take into account the **demographic dynamics** and their effects on job creation and access of young people (notably graduates) to employment
- Need to **amend the economic model** : the export sector hardly stands against Asian competition, while private investment is too much oriented towards low value-added supply activities
- **Address inequalities** : a perception of both territorial (urban suburbs, country side) and social barriers (lack of perspective, limited mobility) has developed in the Arab world
- Need to spare **natural resources** (air, water and land) **and energy** (notably in towns) in order to avoid conflicts and to ensure State sovereignty.

New regional dynamics



- **Stronger and more diversified external influences (Iran, China, Brazil...)**
- **Turkey, new emerging power in the region**
- **New or more active international actors : arab funds, EBRD...**
- **Beginning integration between Maghreb countries and Sub-Saharan Africa**

Addressing those challenges in the context of on-going transitions

- **Social justice has become a criteria of State legitimacy**
- **Request for transparency in access to economic opportunities**
- **Governments will be divided between responding to short term requests and the necessary long-term reforms**



- **Donors will have to manage tensions between short term and long term**

AFD participation to European initiatives in the region



- NIF
- Mutual Reliance Initiative (AFD, EIB, KfW)
- Delegated cooperation

1/ Participation to the Neighbourhood Investment Facility (NIF)



- Established by EuropeAid in March 2008, the NIF is composed of a **€ 700 M** facility from the budget of the EC and a € 60 M Member States trust fund, to which AFD has contributed with € 10 M in 2008 and € 5 M in 2010 (€ 5 M foreseen for 2011).
- Since the beginning of the NIF, **AFD has participated to 10 co-financed projects in the Southern neighbourhood and is lead financier in 5 of them ;** the latter have received NIF support in a total amount of **€ 61,8 M** to finance TA, feasibility studies or **loan-grant blending**.

2/ Mutual Reliance Initiative



- **L'AFD, EIB and KfW** have launched in 2005 a process of mutually recognising their procedures, in the spirit of the Paris declaration and the European Code of Conduct on Division of Labour.
- Feb. 2010, Tripartite agreement formalising the process among the 3 institutions.
- 2011 : Drafting of operational guidelines
- Pilot projects mainly in the Mediterranean Region (also in SSA)



AFD strategic priorities for 2012-2014



Finality A : Promote an employment-rich growth

Objective 1 : create added value and quality jobs

Finality B : reinforce social and territorial cohesion

Objective 2 : ensure a sustainable development of territories :

- Manage urban development**
- Reinforce the attractiveness of rural areas**

Objective 3 : reduce social exclusion

Finality C : Improve the quality of life of populations

Objective 4 : fight against food unsafety

Objective 5 : adapt to scarce natural resources and ensure a shared access to it

Expectations



- Broaden the circle of cooperation among European actors in the region
- Reinforce the visibility and weight of European development cooperation (hence the weight of each bilateral cooperation).
- Look for complementarities among actors having different modes of intervention

Organisation of the Mediterranean and Middle East Dept.



Head of Department

Marie-Pierre NICOLLET

Deputy HoD

Yves DES RIEUX

Morocco

Françoise CHALIER

Algeria, Tunisia

Giulia MARCHESINI

Egypt

Myriam KAWAKIBI

Palestinian Territories, Jordan

Virginie BARTHES

Lebanon, Iraq

Benoît MAUDUIT

Syria, Turkey

Philippe LECRINIER

9 local offices : Rabat, Algiers, Tunis, Cairo, Jerusalem, Amman, Beirut, Bagdad, Istambul.



Thank you for your attention

Benoît Mauduit
mauditb@afd.fr
+33 1 53 44 31 02