

06 PROMOTING FUNDING AND SECURITY FOR INVESTMENTS

IPEMED agrees with the idea that over the next fifteen years, the investment needs for infrastructures in SEMCs will be higher than €250 billion. Funding is a major issue, especially because risk perception increased since the Arab revolutions. Public funding, especially the use of budget appropriations, will be limited and international funding will not be sufficient, even though it is increasing.

For the coming ten years, EIB evaluates Southern Mediterranean needs of investment as follows:

- €100 billion in the energy sector
- €110 billion in urban planning
- €20 billion in logistics
- €20 billion in supporting the development of companies.

DEVELOPING A CONTEXT FAVOURABLE TO PPP

This is the reason why IPEMED encourages public-private partner-

ships, including the mobilisation of banks as well as international and local investment funds. Our think tank provided a state of the art on PPP good practices and success conditions and presented it during seminars (Paris, Tunis, Casablanca and Beirut) organised with local public authorities and private actors.

BUILDING TRUST TO FOSTER LONG-TERM INVESTMENTS IN THE MEDITERRANEAN

Following this observation on the necessity of PPP, IPEMED became one of the leaders of the reflection on security for investments, on the definition of an appropriate environment and on the implementation of a legal framework favouring the attractiveness of the Mediterranean region. In order to create an adapted financial structure, our think tank took part in the reflection on the creation of a regional development

bank. The project has not gone through yet, however the reflection contributed to highlight the funding issue in the region in the works of States, donors and private actors.



A. de Romanet, 2009

In May 2009, IPEMED launched, in partnership with the French Caisse des Dépôts et Consignations (CDC) and the Moroccan Caisse de Dépôt et de Gestion (CDG), "the Initiative for Investment in the Mediterranean (2iM)". The aim of this initiative was to establish a shared diagnosis on investment opportunities and obstacles and to identify financial and legal tools to boost investments in North Africa and in Mashriq.

E. Diamantis, 2011



STANDARDISING LEGAL FRAMEWORKS TO SECURE INVESTMENTS

IPEMED was one of the founders of the ISMED group, along with the European Union, the OECD and the MIGA. Thanks to this dynamic, the issue is officially on the OECD agenda with four objectives: creating a favourable environment especially at the legal level, implementing a supporting task force for PPP projects, offering a better risk coverage and enabling access to local funding and Islamic finance.

PROMOTING FINANCIAL TOOLS SPECIFIC TO SMBs

IPEMED 's reflection was broadened to company funding - especially for SMBs that local banks do not support sufficiently. IPEMED recommended a better mobilisation of local savings on investments boosting the economy and on the association of international financial institutions with local banking sectors.

Within IPEMED coproduction reflection, promoting a win-win economic cooperation model, security of investments was identified as a key element.

Euromed Postal and IPEMED : at the heart of post's cooperation

IPEMED supports post's reflection on their diversification and services enlargement strategy and participates in the structuration of the network.

“The financial sector is representative of IPEMED's strategy: favouring a long-term approach while promoting practical actions on the ground, via micro-economy and project cooperation. Today, the most important issues in SEMCs are security and employment. Europe must offer them a renewed political, economic, social and environmental partnership. Via its works on coproduction and security of investments, IPEMED contributes to promoting this co-development partnership, thus favouring a more integrated economic and financial space.”

Michel Gonnet
Associate expert

F. Trad, 2011



MAIN PUBLICATIONS



Les notes d'Ipemed, n°3
« L'espace financier euroméditerranéen »
October 2009



Construire la Méditerranée
« Partenariat public-privé en Méditerranée »
February 2012



Études & Analyses
« Les banques postales et les services financiers dans les pays du Maghreb : état des lieux et perspectives »
October 2013

ASSOCIATE EXPERTS



Michel Gonnet

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07 SUPPORTING SOCIAL AND SOLIDARITY ECONOMY FOR THE BENEFIT OF POPULATIONS



In the face of challenges such as unemployment, new forms of poverty and environmental degradation, States are often helpless. This is the reason why it is necessary to imagine other types of employment than in the public and private sectors. The third sector emerges in the production sphere, like in Scandinavian countries where SSE accounts for 20% of GDP. With the third industrial revolution, the apparition of local distribution channels and collective goods, SSE appears as a promising sector, both in the North and in the South.

3RD COMPONENT ALONG WITH MARKET ECONOMY AND THE PUBLIC SECTOR

Two obligations result from this observation: promoting an inclusive growth that benefits the greatest

number of people and an economy closer to populations' needs, favouring a solidarity-based system. In addition to the fact that SSE offers "another way to deal with the economy", the multiple forms it can take is an asset. It gathers associations, cooperatives, mutual funds, etc. as well as social and solidarity companies conducting activities such as insertion via economic activities, solidarity finance and fair trade.

SSE BETWEEN FORMAL AND INFORMAL ECONOMY IN SEMCs

Given its employment potential in the South, in 2013, IPEMED carried out a study comprising three SSE monographs (Morocco, Algeria, Tunisia). It turned out that this sector could win part of the informal economy. With simple and flexible regulations, the SSE could attract some of these workers by offering them the benefits of formal economy (unemployment benefits, pension, etc.) while offering them a more flexible framework than the private sector.

Other recommendations were made

in favour of:

- the structuring of an integrated sector in order to pool means and risks;
- a circular economy based on proximity relationships and demand reciprocity;
- the development of social entrepreneurship and SSE as levers in favour of a territorial balanced development model.

CLEAR AND SIMPLE LEGAL FRAMEWORKS

The implementation of an institutional, legal and financial ecosystem is necessary to strengthen and boost the sector, especially to help the young working for the informal economy. In its report, IPEMED recommended to work on the standardization of legal frameworks. Several countries in the region -especially in the North- adopted global regulations to favour the sector's visibility and provide social structures and cooperatives with the appropriate means to act. In the South, only Morocco is planning on adopting a law to boost this sector, which needs to be more structured to enable the shift from regulation SSE to finality SSE.

BIRTH OF SSE IN THE MEDITERRANEAN

The 1st Euro-Mediterranean Conference of the SSE (MedESS) was held in Tunis in May 2013. It gathered major representatives of the sector and lay the foundations of a regional ecosystem in favour of social and solidarity companies. Later on, the MedESS association was created in order to federate actions favouring the emergence of a trans-Mediterranean sector. In

P. da Costa, N. El Mekkaoui, P. Lorec, 2013

