

# Mediterranean Hot Spots Investment Programme (MeHSIP)

The Mediterranean Hot Spots Investment Programme (MeHSIP) is a European Union programme providing direct technical advice and support to promoters for the preparation of investment projects in the water and environmental sectors of the Southern Mediterranean countries<sup>1</sup>.

Led by the European Investment Bank (EIB) and cooperating closely with other European Financial Institutions, MeHSIP is part of the European Union's contribution to the Horizon 2020 Initiative, which addresses the main sources of pollution entering the Mediterranean Sea through environmental investments, capacity building, monitoring the state of the Mediterranean environment and research. MeHSIP is funded by European Commission grants to the Facility for Euro-Mediterranean Investment and Partnership (FEMIP) Fund, which helps project promoters prepare investment activities throughout the project cycle.

### Why has MeHSIP been set up?

The Southern Mediterranean faces a range of challenges related to the management of the water cycle and solid waste and the reduction of industrial pollution, which have an international impact.

The overall objectives of MeHSIP are to:

- promote adequate and sound water, wastewater, solid waste and industrial emissions management in the Southern Mediterranean region;
- reduce health risks and enhance the quality of people's lives by improving access to safe drinking water and sanitation services as well as through sound solid waste management;

• improve the management and disposal of waste and contribute to achieving the European Union's Horizon 2020 Initiative goal of de-polluting the Mediterranean.

MeHSIP-supported projects will also contribute to the creation of jobs both within and outside these key sectors during the preparation, construction and operation of the investments. MeHSIP therefore represents an important element of the European commitment to improve prosperity and the quality of life in the Southern and Eastern Mediterranean region, based on the shared stewardship of the Mediterranean Sea.

The Programme is expected to help promoters accelerate the preparation of financeable projects through technical assistance. More specifically, MeHSIP aims to support the preparation and implementation of 10 to 20 projects across the region.

<sup>&</sup>lt;sup>1</sup> Countries where MeHSIP operates: Egypt, Jordan, Lebanon, Morocco, Palestine and Tunisia.





# What types of project can benefit from MeHSIP support?

To receive MeHSIP technical assistance, projects must be designed to improve the management of one or more of the following:

- wastewater;
- solid waste;
- industrial de-pollution;
- water resources, supply and efficiency;
- or contribute to climate change mitigation or adaptation in one or more of the above areas.

In addition, projects should be consistent with the national strategy or sectoral plan and be supported by a well-defined promoter.

#### What support is available from MeHSIP?

MeHSIP can provide support for the full range of project preparation activities, i.e. from defining a project and feasibility studies to providing support in the preparation of appraisal documents and identifying financing possibilities. It can also assist in improving the conditions for the effective completion of these projects in line with the partner countries' and the EU's objectives and provide support during their implementation.

MeHSIP has a fully dedicated team of experts located in the EIB's head office in Luxembourg and in local offices in Cairo, Rabat and Tunis. Projects supported by MeHSIP will have been identified as being of national or regional importance



### **Bizerte: Integrated Pollution Reduction for Lake** Bizerte (EUR 80m)

#### Project objectives:

- eliminating or reducing the sources of pollution to minimise individual and cumulative impacts on the lake: wastewater, solid waste and industrial pollution;
- maintaining the lake in a good environmental condition in the long run and promoting consistency between environmental objectives and the full utilisation of the socio-economic and cultural potential of the region.

Project components:

- rehabilitation and extension of wastewater networks and three wastewater treatment plants;
- remediation measures on the uncontrolled urban and industrial solid waste landfill site of Menzel Bourguiba;
- reduction in emissions of liquid and airborne pollutants from industrial units in the vicinity;
- coastal infrastructure works (fishing port extension and urban management).

and will normally contribute to the de-pollution of the Mediterranean Sea and its neighbouring regions.

# Can MeHSIP provide advice on the financial structuring of investment projects?

Yes. MeHSIP provides support for the identification of funding sources and the definition of appropriate financing packages, in particular through the blending of loans from IFIs with available grants. In addition, as part of the EIB, MeHSIP can draw on the Bank's considerable experience in structuring water and solid waste projects in the Southern Mediterranean region and in Europe, and in providing climate-dedicated grant funding. Development of an appropriate funding plan will often run in parallel with the development of a technically sound investment project.



# How long does MeHSIP advisory support last?

MeHSIP support is provided for as long as required to achieve agreed outcomes. It includes assistance in the form of shortterm consultancy assignments to meet specific objectives, such as the technical, financial, environmental or institutional assessment of aspects of a project to meet IFIs' standards. It also comprises longer-term involvement for defining the scope of required investments, support for the preparation of the project documentation necessary for funding approval and technical assistance during implementation.

In the case of longer-term involvement, MeHSIP will normally agree on a number of project stages, whereby continued support for the next stage will depend on the achievement of previous project "milestones".

### Is MeHSIP support conditional upon borrowing or receiving other financing support from the EIB?

No. MeHSIP's technical and financial advice for the preparation of investment projects is not conditional upon the subsequent use of EIB loans to finance project implementation.

#### Kafr El-Sheikh: Wastewater Treatment Expansion for Kafr El-Sheikh Governorate (EUR 164m)

Project objectives:

- improving the sanitation, environment, quality of life and health of around 470 000 people;
- completing the implementation of rural wastewater infrastructure schemes not covered by other IFI-funded projects;
- reducing pollution in the Rosetta branch of the Nile and Lake Burullus;
- promoting economic developments in the Lake Burullus area, and in particular the expansion of fisheries, agriculture and tourism.

Project components:

- construction of eight integrated wastewater collection clusters (sewers, pumping stations and force mains);
- construction of two new wastewater treatment plants;
  extension of three existing wastewater treatment plants.



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### How to request support?

Projects are selected for MeHSIP support by the MeHSIP Steering Committee, which brings together key stakeholder institutions including the European Commission, the Union for the Mediterranean and the EIB. The selected projects will have been identified as priorities by their respective national governments and normally will already have been identified as priorities under their National Action Plans developed in the framework of the Land-Based Pollution Protocol of the Barcelona Convention.





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