



Session 1

Introduction and Objectives of the Course, by Stefan Enzelberger

INTRODUCTION

Funding by International Financial Institutions (IFIs) plays an important role for the provision of infrastructure in the 12 countries comprising the Euro-Mediterranean Partnership ("MEDA countries")¹. In 2005, IFIs provided financing of around EUR 5.2 billion to the region, in addition to the financial support extended by the European Union. For the period 2000 – 2006, the Union's financing plan expects the disbursement of around EUR 5.3 billion for MEDA projects.

Experience shows that there is strong interest from IFIs to finance *good* projects and that the limiting factor is neither the availability of funds, nor the potential availability of good investment opportunities. The problem is the correct identification, preparation and implementation of projects, *i.e.* the conversion of first ideas into good projects.

There is increasing concern amongst development banks and recipient governments that despite huge expenditure on aid-funded projects, serious delays and problems often arise. Expenditure is often much less effective and progress much slower than anticipated by the funding agencies and client governments. Sustainability beyond the project end is also often a problem and, despite funding agency requirements that projects should focus on development objectives, few such projects are successful in achieving all of their development objectives.

Staff at development banks are themselves often overloaded with projects to supervise. There are pressures to meet disbursement targets and there are seldom well formulated projects available for immediate funding. There are also few government officials in recipient countries with the necessary training and skills to develop and package projects in a manner to make them attractive to potential donors.

This short, intensive course (5 days) will introduce processes of project preparation, appraisal and monitoring so that better formulated projects can be devised by recipient countries for potential funding by the various agencies and development banks. Case studies will be used to illustrate concepts and techniques.

Although the general principles are common to all development banks and the EU, there will be special emphasis on the policy, practice and procedures of the European Investment Bank (EIB) and the World Bank, as they are the main lenders to the MEDA region.

¹ The 12 MEDA countries are: Algeria, Egypt, Gaza/West Bank/Palestine, Israel, Jordan, Lebanon, Morocco, Syria, Tunisia, Turkey plus the EU member countries Cyprus and Malta



OBJECTIVES

Specific objectives of the course are to:

- a) discuss the requirements and aims of IFIs;
- b) describe what makes a **good project**, one which the IFIs are willing to finance; and
- c) describe the methods and procedures to convert an idea into a good project;

CONTENT AND STRUCTURE

The programme for the course is attached. It is designed in such a way that there will be a mix of lecture and practical sessions on most days. It is expected that participants will make their own contributions in each session, and it is intended to promote discussion and debate rather than lecture all the time. The course programme is not rigid. The course is designed to be responsive to individual needs and as the course progresses, any realistic suggestions to revise the programme to meet particular needs will be considered.

Most importantly - enjoy yourselves

MEDITERRANEAN TRANSPORT INFRASTRUCTURE NETWORK PROJECT (MTIN)

INTRODUCTION AND OBJECTIVES OF THE COURSE

Stefan Enzelberger
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MEDA Transport Infrastructure Network
Project



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IFIS ARE IMPORTANT TO THE REGION

- 2005: IFI financing of EUR 5.2 billion for MEDA region
- 2000 -2006: EU financing of EUR 5.3 billion for MEDA region
- EU Neighbourhood policy foresees strong growth from 2007 on



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THERE IS MUTUAL INTEREST BETWEEN CLIENTS AND IFIS

- Many potential investments for which clients want IFI funding
- IFIs want to finance *good projects*, but
- Mismatch between expectations and reality



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SOMETIMES, IFIS AND CLIENTS HAVE DIFFERENCES

- IFIs have concerns about delays, effectiveness, misuse of funds and sustainability
- Countries are frustrated about "slow and bureaucratic" IFIs



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OBJECTIVES OF THE TRAINING SEMINAR

- To discuss requirements and aims of IFIs;
- To describe what makes a *good project*; and
- To describe the methods and procedures to convert an idea into a *good project*



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CONTENT AND STRUCTURE OF SEMINAR

- Mix of lecture and practical sessions
- Inbuilt flexibility
- Open for suggestions, practical discussions
- All participants should take part
- ENJOY THE TRAINING COURSE



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