

THE EUROPEAN INVESTMENT BANK IN  
**TUNISIA**

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A Tunisian family business is expanding and creating jobs. Three million residents in vulnerable neighbourhoods have better houses, roads and pavements. People living along the coast have better water and sanitation services.

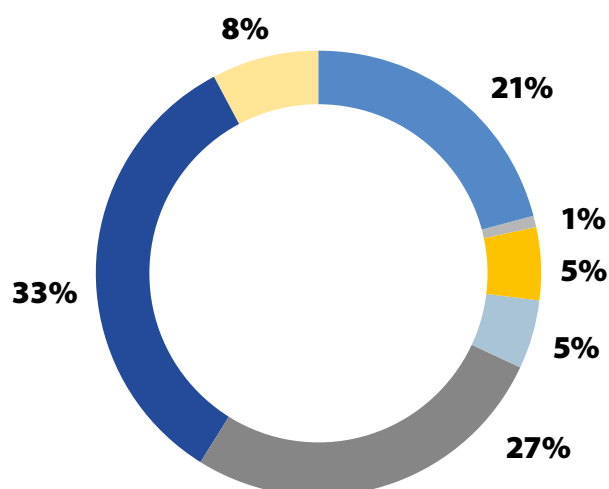
**The European Investment Bank (EIB) has improved millions of lives across Tunisia since 1979.** We have invested in better water and waste services, smoother roads and more reliable electricity. We have modernised schools and helped small companies grow.

**The coronavirus pandemic has hurt the Tunisian economy.** Lockdowns have exacerbated existing social and economic problems. Gross domestic product has shrunk by more than 8% in 2020, compared with a modest 1% rise in 2019, and government debt has significantly expanded.

The pandemic has prompted many businesses that were already struggling to cut staff. Unemployment was just above 15% before the COVID-19 crisis and surged to 18% in 2020.

## BREAKDOWN OF LOANS BY SECTOR 2014-2020 (IN €)

■	SME FINANCING	331.4M
■	MICROFINANCE	9.5M
■	URBAN DEVELOPMENT	83M
■	WATER AND ENVIRONMENT	78.8M
■	ENERGY	427.5M
■	TRANSPORT	522M
■	INDUSTRY	121M



# THE EIB CAN HELP

**128**

projects financed since 1979

**€6.06bn** invested

**12** local partners

In Tunisia, the EIB Group provides loans and guarantees for public or private projects under the EU External Lending Mandate. Our engineers and economists have a wealth of experience in designing, planning and developing successful projects. **With its AAA rating**, the EIB offers attractive interest rates and good loan terms. The Bank **finances up to 50% of project costs**. It also provides technical assistance and investment grants through partnerships with the European Union and other donors.

The EIB brings its technical expertise to assist project promoters during project preparation and implementation. Our experts help promoters to develop and build new skills.

Thanks to our office in Tunis, we have strengthened relationships with the Tunisian government and private sector. We can also ensure hands-on project assistance and manage an increased volume of initiatives thanks to our presence in the country.

In response to the coronavirus crisis, the EIB Group has announced a package of €5.2 billion in aid beyond Europe supported by guarantees from the European Union.



# SMALL BUSINESSES

## CURBING THE BRAIN DRAIN

When Feten got her engineering degree, she thought she would have to leave her country to get a job in her field. After all, most Tunisian engineering graduates were going abroad in search of better jobs and salaries. Instead, Feten, 31, was hired as an engineer at OneTech, a family-owned company that helps design components, develop software and produce circuit boards, plastics, connectors and other products.

OneTech is expanding in Tunisia, improving its manufacturing facilities and boosting research and innovation. This was made possible thanks to a €21 million loan from the EIB and the InnovFin programme.

**The investment created 720 jobs, half of which went to women. 48% of OneTech's workforce is female.**

Small businesses are essential to economic growth, job creation and innovation in Tunisia. However, these businesses often struggle to get loans. The EIB Group makes it easier for innovative firms to get loans and other assistance. We lend to Tunisian public and private banks, which in turn offer smaller loans to entrepreneurs, using lower collateral requirements, longer maturities and good interest rates. We also support small businesses by investing in private equity funds, which helps Tunisian companies grow and develop.

### What is InnovFin?

A joint initiative by the EIB Group and the European Commission, InnovFin – EU Finance for Innovators offers loans, guarantees, equity investments and advisory services to companies.



# INCLUSION

## SOMETHING FOR EVERYONE

**W**ith her international business and trade degree, Raja Fehli was determined to find a job in the central Sidi Bouzid region. The 28-year-old woman wanted to set up her own business in iron framing – not an easy feat in a male-dominated sector with few opportunities. So Raja contacted Enda Tamweel to get a loan and training on how to start a business.

Enda Tamweel is a Tunisian microfinance company that supports micro-entrepreneurs, in particular women, young people and the most vulnerable in disadvantaged rural areas. **Enda Tamweel is currently helping 234 000 female entrepreneurs, who represent 60% of the company's clients.**

Under the Economic Resilience Initiative, the EIB is backing Enda Tamweel with an €8.5 million loan in Tunisian dinars. This loan will help support more than 26 000 companies and entrepreneurs.

### What is the Economic Resilience Initiative?

Launched in 2016, the Economic Resilience Initiative supports financial inclusion and entrepreneurship in Tunisia and across the Southern Neighbourhood and the Western Balkans. The programme brings together EIB loans and grants from donors. The initiative is part of the European Union's plan to find solutions to migration and the forced displacement of people.

# URBAN DEVELOPMENT PAVING ROADS AS THE NEW WAY FORWARD





A €77 million EIB loan is helping to rehabilitate and integrate more than around 1 300 vulnerable neighbourhoods, especially in medinas and city centres. Three million people across the country will benefit.

In cooperation with Tunisia's Urban Rehabilitation and Renewal Agency and other European partners, this project consists of the upgrade, rehabilitation and extension of urban infrastructure. This includes water management, wastewater networks, road infrastructure, and the creation of public open and green spaces, recreational and cultural facilities and premises for local economic activities.





# CLIMATE

## PRESERVING BIODIVERSITY

The Mediterranean Sea is rich in biodiversity. It is home to between 7% and 8% of known marine species. This biodiversity is being threatened by pollution along the Mediterranean coast in Tunisia. 80% of the pollution in the area comes from industrial emissions, urban waste and urban wastewater.

Wastewater treatment plants are old and saturated. Several industries discharge their waste into collectors in domestic networks without appropriate treatment. A programme to clean up pollution called DEPOLMED is being financed by the EIB, the European Union and the Agence française de développement. **The programme is helping to preserve the quality of water along the Tunisian coast and is improving sanitation services.**

The first phase of this project covers the rehabilitation of four coastal treatment plants in Sud Méliane, Sousse Nord, Jedaida and Kelibia, and the renovation of many treatment networks and stations. DEPOLMED will also improve the government's ability to run sanitation services.

In addition to connecting 60 000 new people to public services and improving them for nearly 1.2 million people who are already connected, **DEPOLMED is reducing water pollution and protecting the Mediterranean marine environment and sensitive ecological areas in the wetlands.** It is also improving biodiversity and reducing carbon emissions.

# LAKE BIZERTE CLEAN-UP

Around 60 km north of Tunis, Lake Bizerte is connected to the Mediterranean Sea via a 7 km canal. After decades of urban and industrial pollution, Lake Bizerte will have fresher waters again thanks to an integrated clean-up project.

The project is rehabilitating the environment, the air and water quality of Lake Bizerte. Works will expand and rehabilitate the



sewerage network, bringing wastewater collection and treatment up to Tunisian standards. This includes the remediation of landfills, the securing of storage areas and the creation of treatment plants and transfer centres in rural areas. These works will boost the local economy and improve the quality of life of around 400 000 people living in Bizerte and nearby rural areas.

This project received a €40 million EIB loan and a €15 million grant from the EU-backed Neighbourhood Investment Facility.





# EDUCATION

## TUNISIAN SCHOOLS GET A BOOST

**A** good education is essential for getting a job and integrating into society. The Tunisian government plans to modernise primary, secondary and boarding schools **by building 59 schools, rehabilitating more than 380 schools and training 800 teachers.**

The EIB signed a €70 million deal to support this project, which also received €20 million from the EU-backed Neighbourhood Investment Facility. Among other education-related projects, the Bank supported a pilot Positive Behaviour Support programme to improve the educational climate in 80 secondary schools, and backed the purchase of masks and hand gel to protect students and teachers from COVID-19.

# CULTURE

## THE POWER OF MUSIC

**T**he Tunisia88 project, supported by the EIB Institute, is introducing musical education in secondary schools to encourage mutual discovery and foster harmony across different cultures.

**Tunisia88 organises after-school music clubs led by secondary school students all over the country, in particular in less developed and underprivileged areas.** The project has reached out to around 20 000 students.

Phase I of Tunisia88 consisted of 88 concerts and the set-up of 76 Tunisia88 clubs in secondary schools in all 24 governorates of Tunisia. Phase II of the project aims to create a music club in each of the remaining 502 secondary schools in Tunisia.

The EIB Institute supports social, cultural and academic initiatives.

The **EIB Group consists of the European Investment Bank and the European Investment Fund.**

#### **About the European Investment Bank**

The European Investment Bank is the European Union's bank, owned by the EU Member States. In 2018, the EIB Group provided nearly €80 billion for investments in and outside Europe. We are the world's largest multilateral borrower and lender.

#### **About the European Investment Fund**

The European Investment Fund supports small businesses by improving their access to finance in Europe and in a number of countries outside Europe. The EIF designs and develops venture and growth capital, guarantees and microfinance instruments to promote innovation and employment.



#### **European Investment Bank**

98-100, boulevard Konrad Adenauer

L-2950 Luxembourg

☎ +352 4379-1

[www.eib.org](http://www.eib.org)

[info@eib.org](mailto:info@eib.org)

🐦 [twitter.com/EIB](https://twitter.com/EIB)

📘 [facebook.com/EuropeanInvestmentBank](https://facebook.com/EuropeanInvestmentBank)

📺 [youtube.com/EIBtheEUBank](https://youtube.com/EIBtheEUBank)

#### **Representation to Tunisia**

Immeuble Prestige - Bloc C – 3e étage

Rue du Lac Windermere

1053 Les Berges du Lac Tunis

Tunisia

+216 71118900

[tunis@eib.org](mailto:tunis@eib.org)

#### **Jean-Luc Révéreault**

Head of Office, EIB Tunis Office

☎ +352 4379-89007

+216 71 118 900

✉ [j.revereault@eib.org](mailto:j.revereault@eib.org)

#### **Khaled Elnimr**

Press Officer

☎ +352 4379-70495

✉ [k.elnimr@ext.eib.org](mailto:k.elnimr@ext.eib.org)