

Jordanians, LaRouche comment on Middle East Development Bank

The following interviews with Jordanians were conducted by Muriel Mirak-Weissbach in Amman, Jordan during the first week in July. Mr. LaRouche was interviewed on the weekly radio program "EIR Talks" on Aug. 11.

Interview: Umayya S. Toukan

Mr. Toukan is director general of the Amman Financial Market and rapporteur of the Preparatory Committee for the Amman Summit.

EIR: Can you tell me about the Middle East Development Bank?

Toukan: It's a regional development bank, operating on a commercial basis, at market rates of interest. The initial capital should be \$5 billion. The question has been asked, why have such a bank? The European Union [EU] has presented a counterproposal. They say, you don't need financing, but more project identification and coordination. So a task force has been founded, composed of representatives of the countries involved, whose members are on the steering committee, for the bank. The most active members are the U.S., the EU, Israel, Jordan, the Palestinians, and Egypt. They have had many meetings, the last one in June in Paris, which was very good, in that they arrived at a compromise solution. They proposed then to have the bank evolve in two phases, first with policy coordination and project identification, then with funds provided from international capital markets. The next meeting was in Moscow on July 21-22. The Saudis are still opposed to the bank, because they feel they would have to finance the capital. The minister of finance of the United Arab Emirates feels strongly about the MEDB.

EIR: Who would have decision-making power in the bank?

Toukan: The secretariat would research projects and deal with technical questions. Small and medium-size industrial projects would be preferred, because they attract private capital more. The bank would be geared exclusively to private sector investment, because governments cannot borrow on a

commercial basis. There is a concessional window, but on a voluntary basis; for example, Germany could put up \$5 billion on a concessionary basis.

We will concentrate on the private sector, we are not counting on government funds. Private sector savings should finance economic activity, including infrastructure. Concepts such as BOT [build, operate, transfer] and BOO [build, operate, own] have been designed to give incentive to the private sector. If government funds are available, great, that would be a bonus. Social projects, development projects, don't lend themselves to the private sector, but we have no choice.

Interview: Dr. Nabil Ammari

Dr. Ammari is in Jordan's Planning Ministry, responsible for negotiating the MEDB for the Jordanian government.

EIR: What can you tell us about the MEDB?

Dr. Ammari: There are two proposals on the table. The Americans' proposal, supported by the four regional countries, Egypt, Israel, Jordan, and the Palestinians, calls for a full-fledged bank which would lend out at international market rates. The other proposal, of the Europeans, presented by the French, is that it *not* be a bank, but a Middle East and North Africa Financial Intermediary Organization, or Mena-fio. They think that the shortage of capital is not the problem. They think that the financial resources are there, but what is lacking is 1) the projects to be financed; they see this as a problem of identifying and preparing projects. The Europeans want to do this, to do the training, the feasibility studies, and so forth. Then, 2) the policies are lacking. They see this Mena-fio as a vehicle to coordinate policies, and attract foreign investment. The Europeans' idea is to present policies and projects to other financial institutions and let them finance them.

EIR: What is Jordan's view?

Dr. Ammari: We disagree with the latter view. We feel that