

Social Sector Opportunities for the
Western Balkans Investment Framework (WBIF)

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WBIF Steering Committee Meeting

Paris, 6 December, 2012



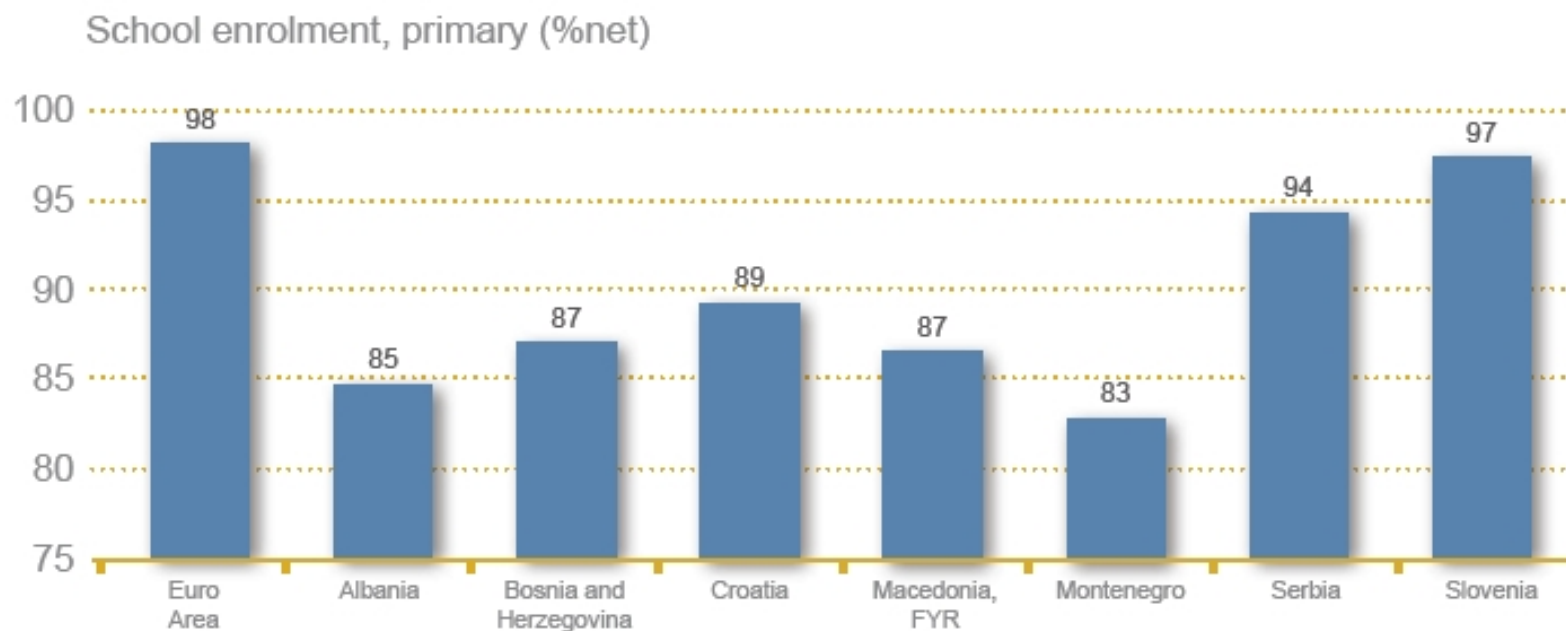
Summary

- Social Sector in the Western Balkans: Facts and Figures
- WBIF Support to the Social Sector
- CEB and WBIF
- Regional Housing Programme
- WBIF Going Forward: Challenges and Opportunities in the Social Sector



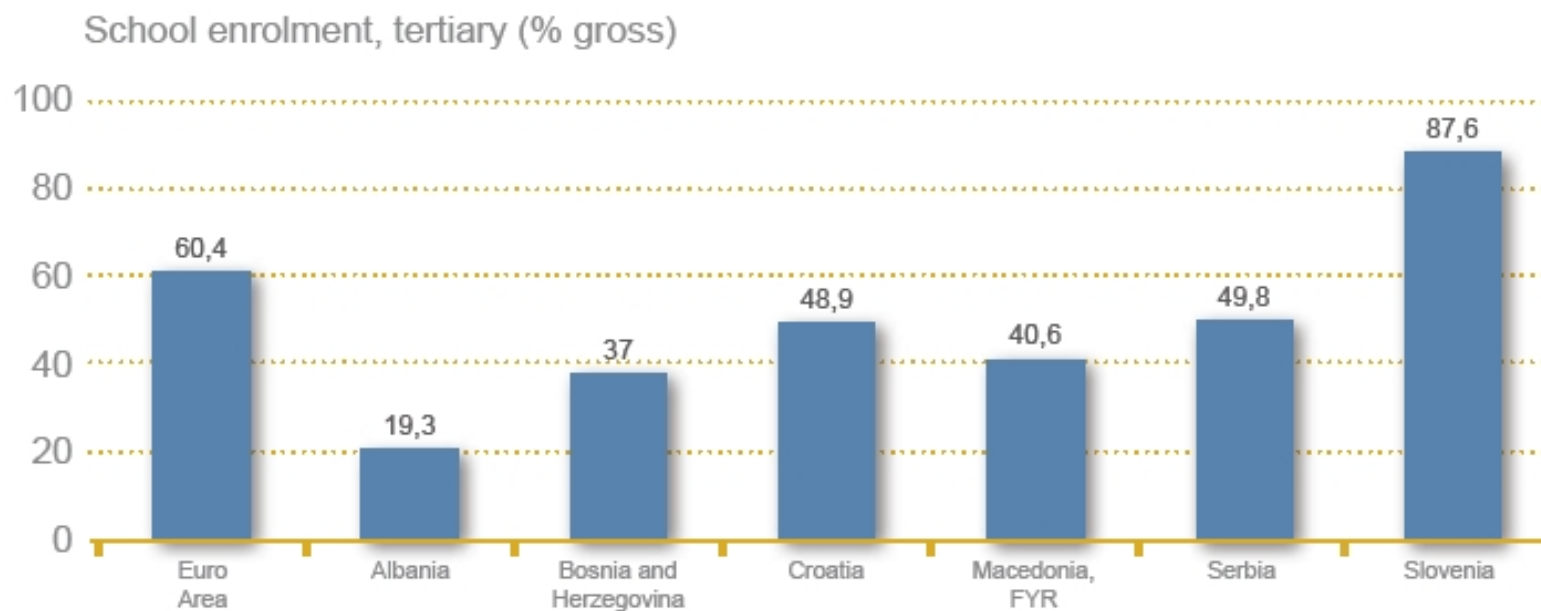
Social Sector in the Western Balkans

Primary School Enrollment



Source: World Bank

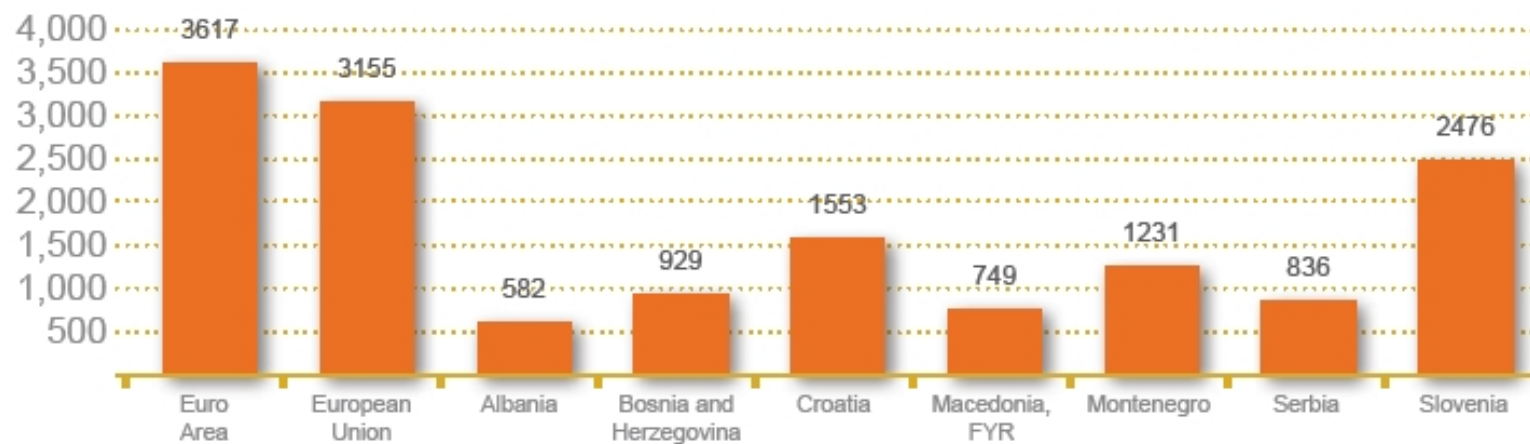
Tertiary School Enrollment



Source: World Bank

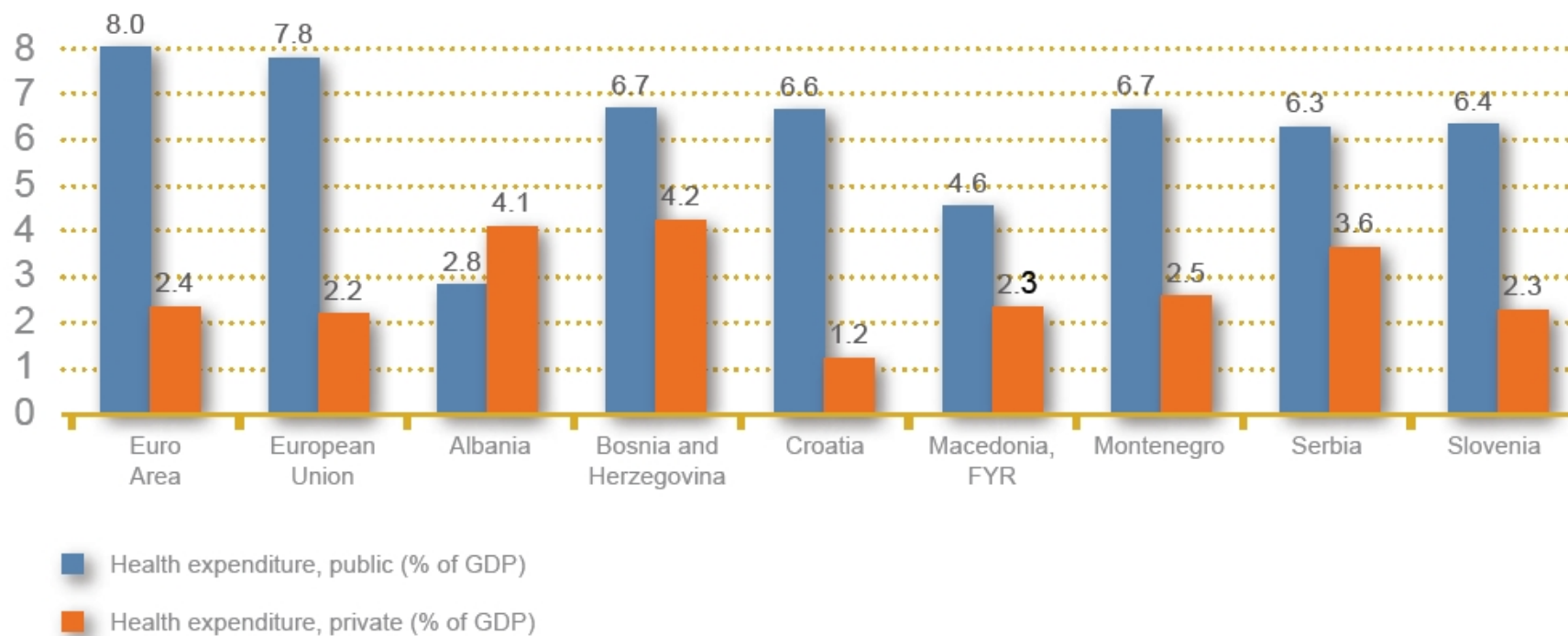
Health Expenditure per Capita

Health expenditure per capita, PPP (constant 2005 international \$)



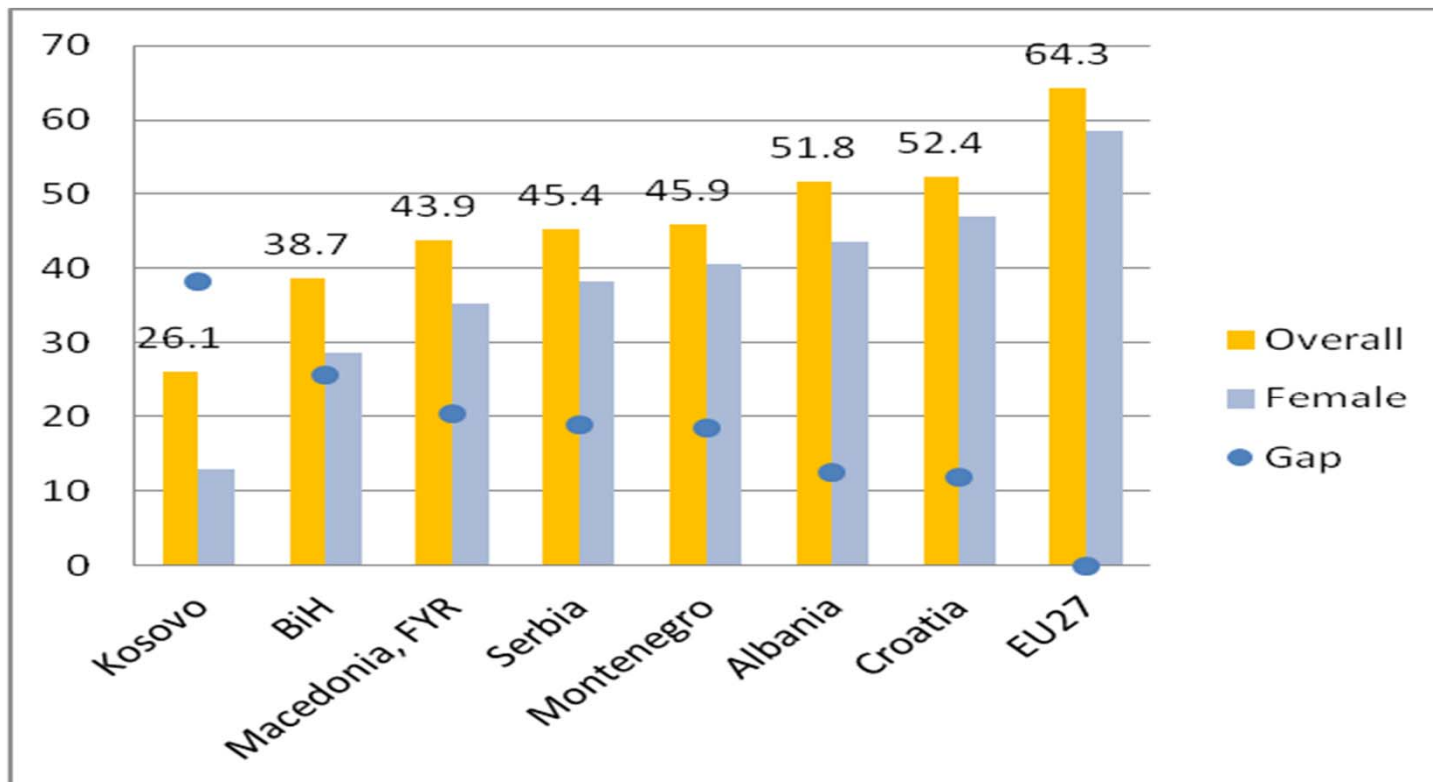
Source: World Bank

Health Expenditure per Capita



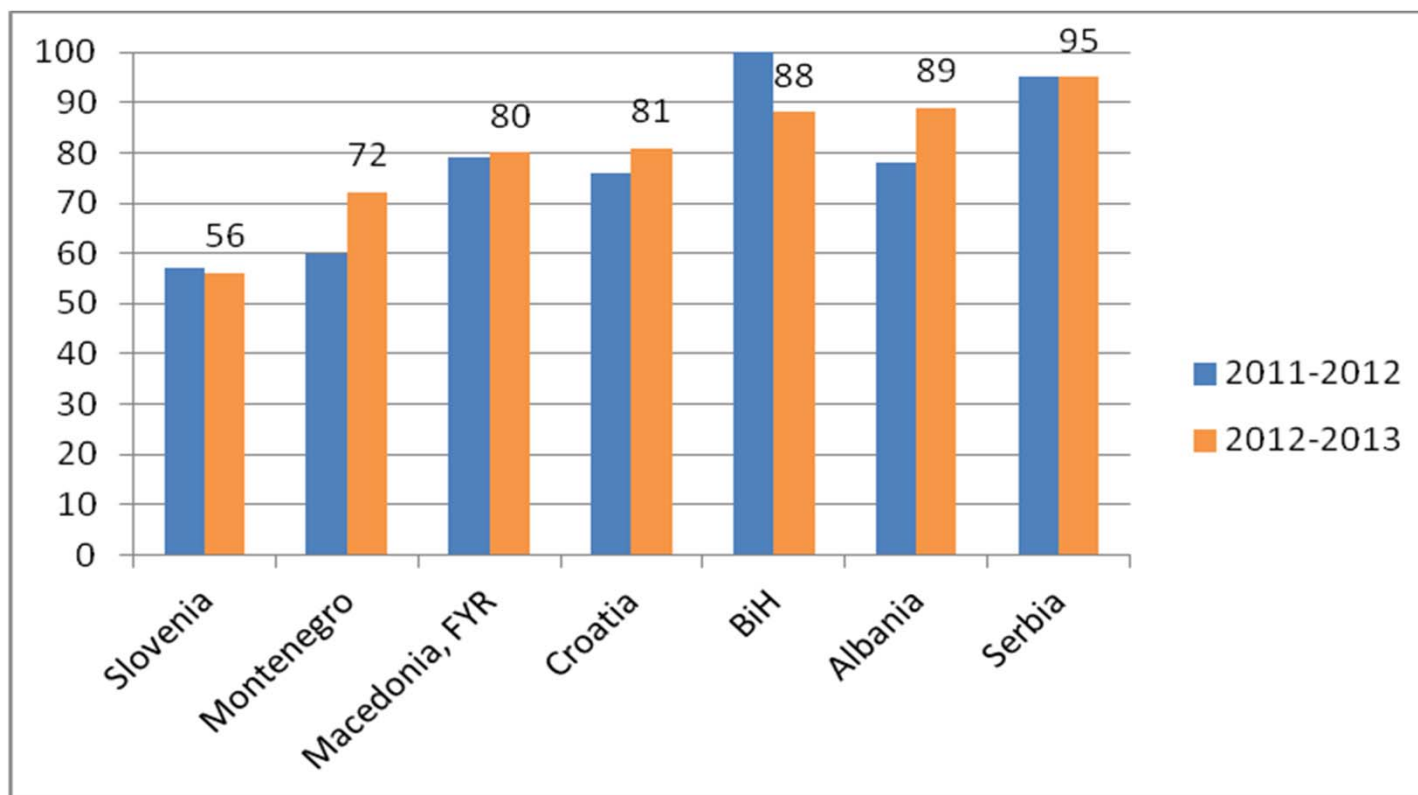
Source: World Bank

Employment rates in the Western Balkans and EU27, 2011



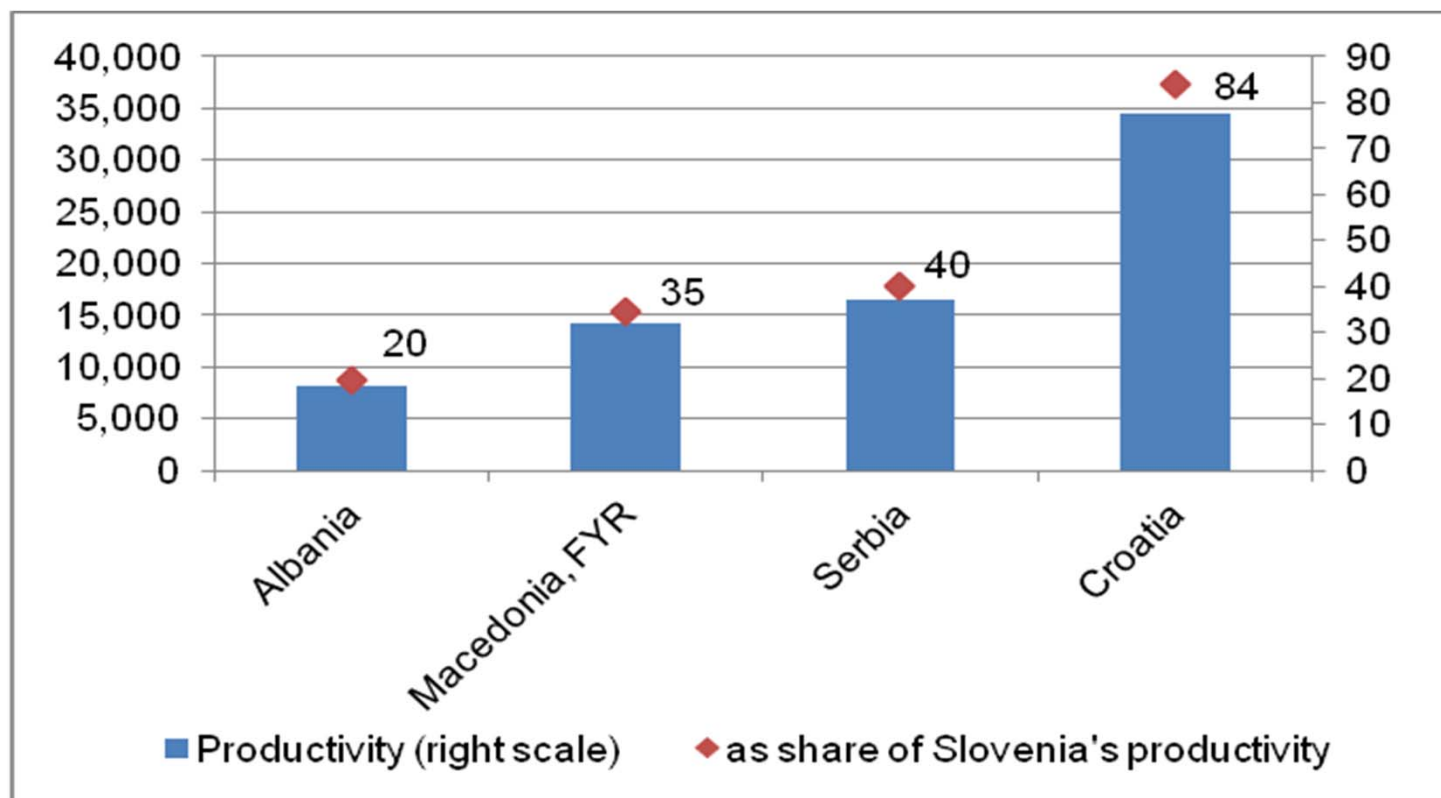
Source: Eurostat for EU27, Croatia and Former Yugoslav Republic of Macedonia and National Statistical Offices for other countries. Data for Albania and for Kosovo are for 2009.

Competitiveness of the Western Balkan Countries



Source: Global Competitiveness Index data platform 2012

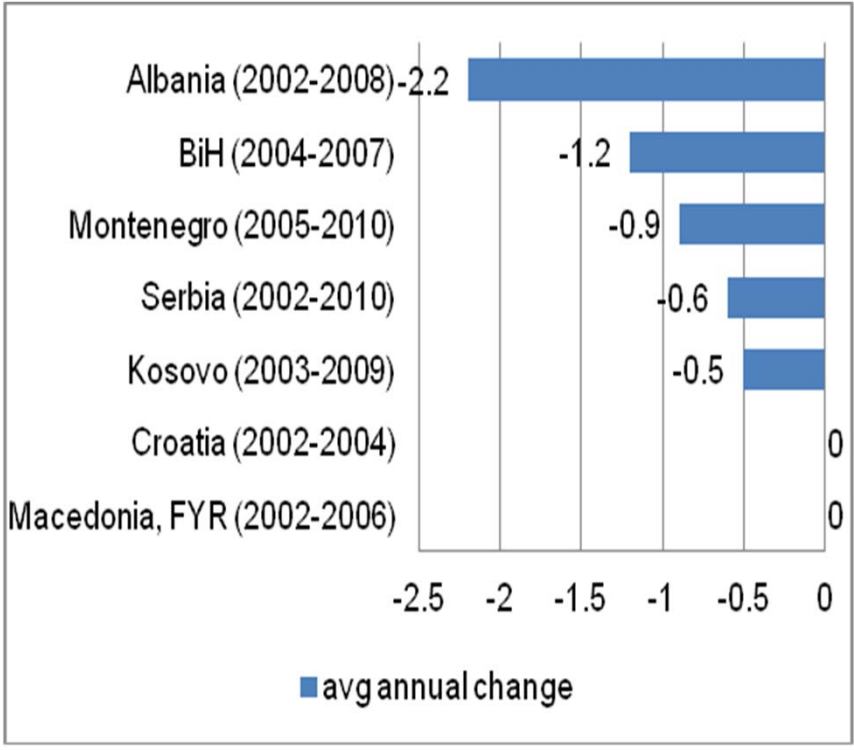
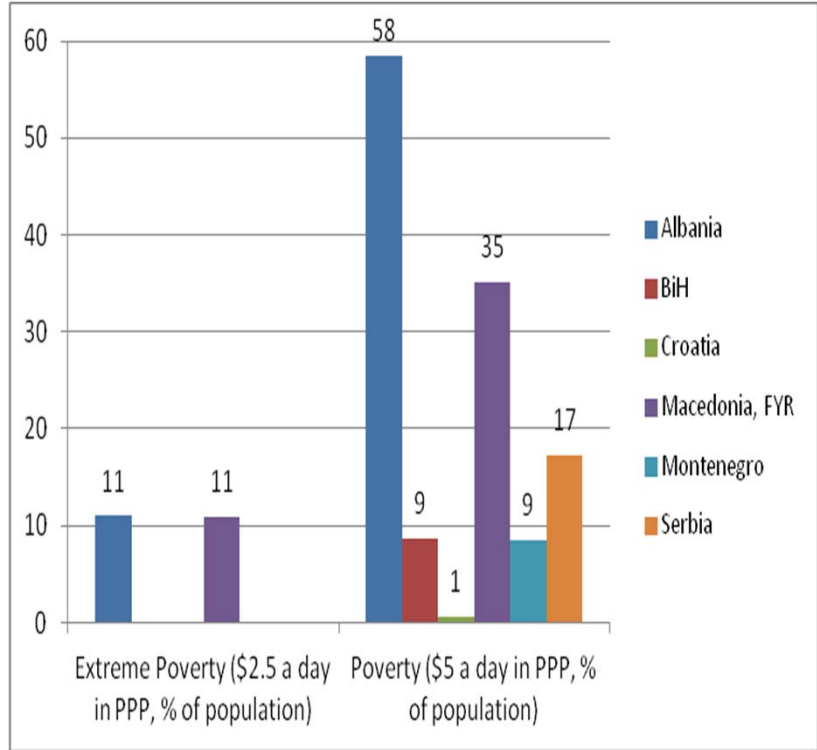
Productivity and Productivity Gaps in Selected Western Balkan countries



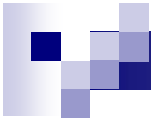
Source: World Development Report 2013

Incidence of Poverty in the Western Balkan Countries

Recent Trends



Source: World Development Indicators



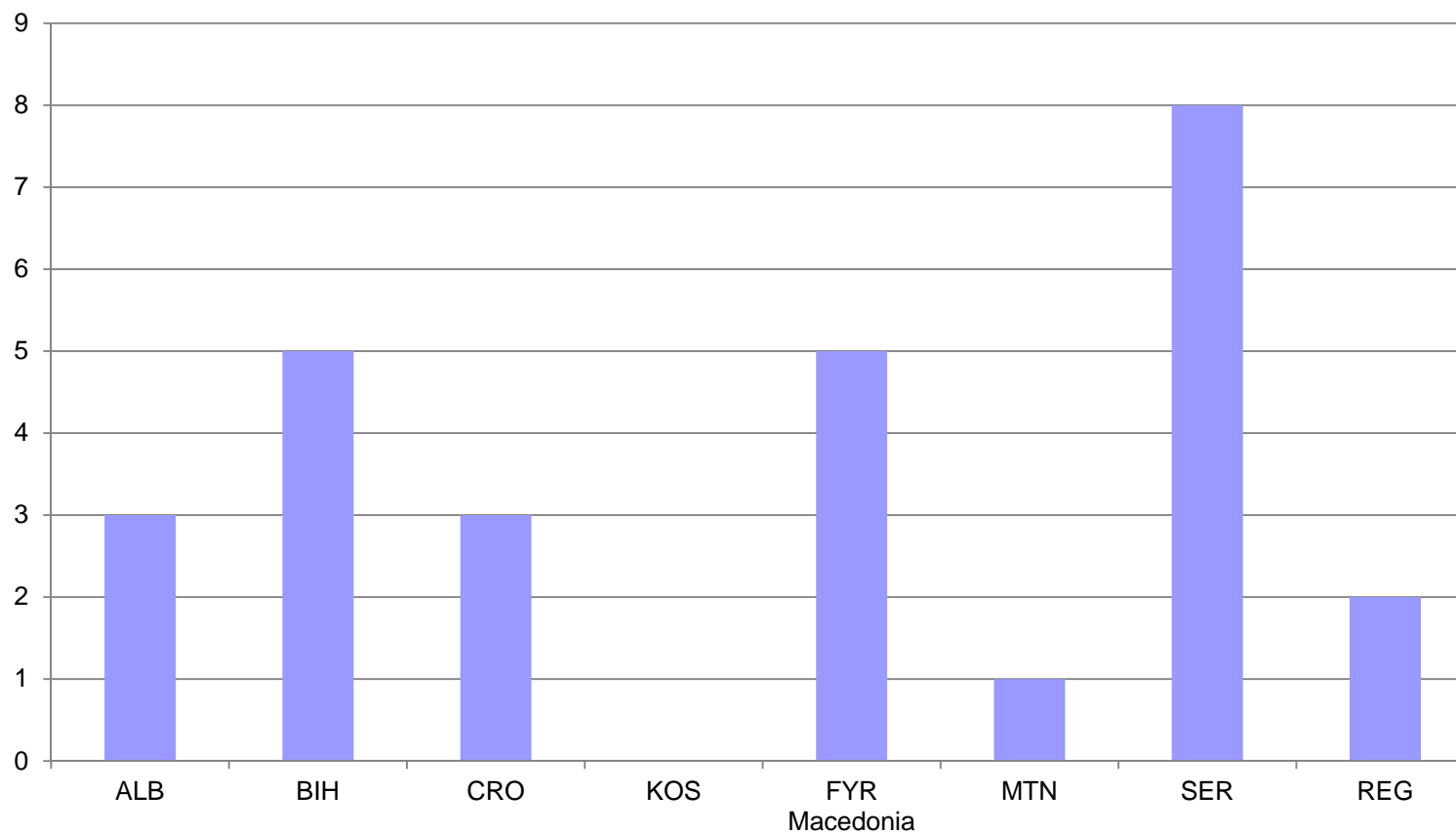
WBIF Support to the Social Sector



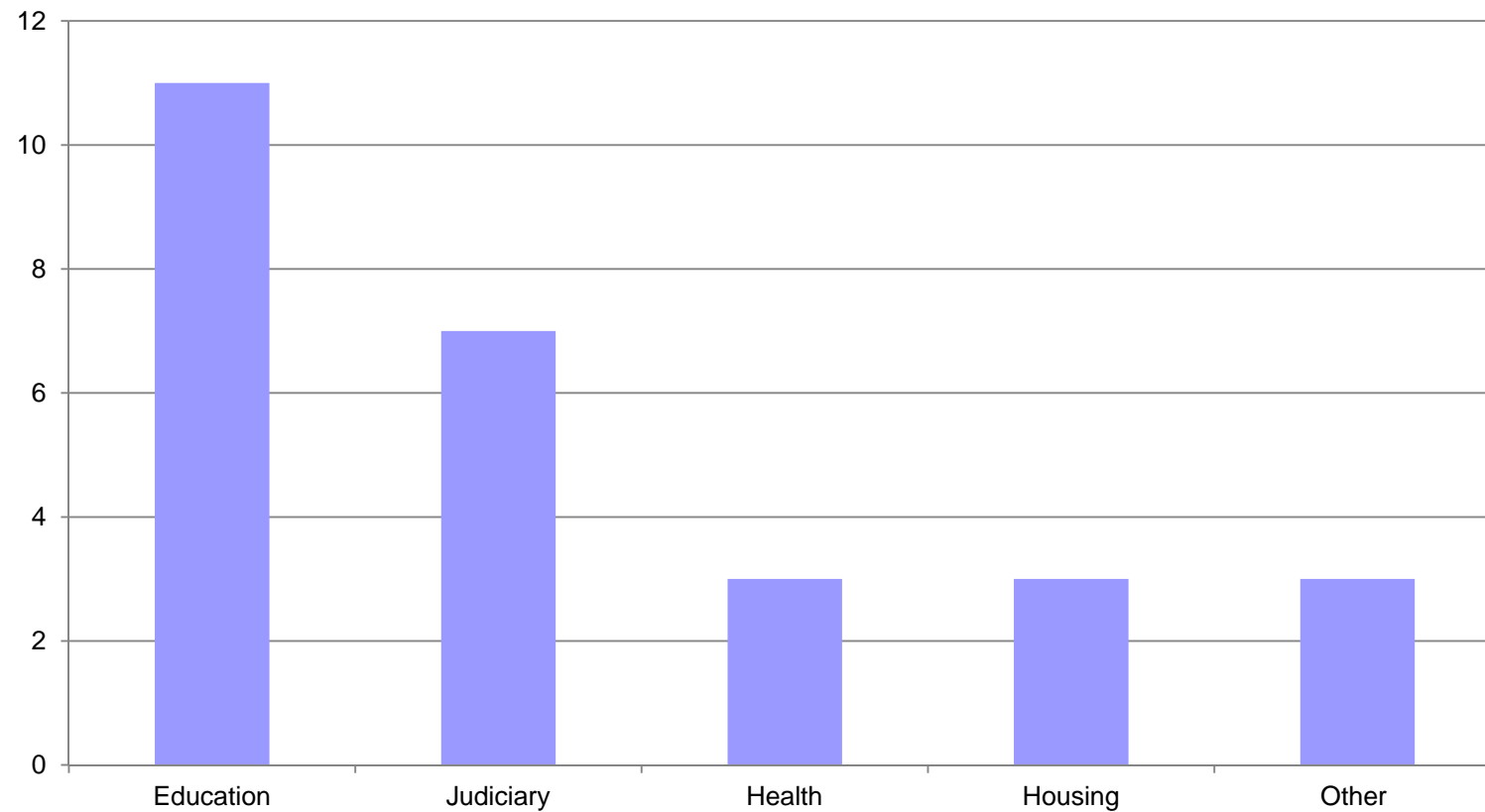
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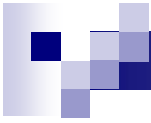
- **27 Grants** approved in favour of the Social Sector, totaling over €644 million (including national IPA contributions)
- **10 Loans** signed for a total estimate of €500 million
- Physical construction started on 6 projects, 3 more at tendering stage

Number of Social Sector Projects under WBIF by Beneficiary Country



The Cornerstones of Social Sector Activities under WBIF





The CEB and the WBIF



CEB – The Social Development Bank in Europe

- CEB has a unique position in Europe among IFIs: a multilateral development bank with an **specific social mandate**.

- Western Balkans is a priority region for the CEB.

- Since 1990 the CEB has approved:
 - €12bn in “target countries”.
 - €1.8 bn in Western Balkans.
 - 20 CEB loans for € 554mm benefit or will benefit from WBIF support.

Social Sector Development – CEB's Unique Mandate in Europe

SECTORAL LINES OF ACTION	SECTORS OF ACTION
Strengthening social integration	<ul style="list-style-type: none"> - Aid to refugees, migrants and displaced persons - Housing for low-income persons - Creation and preservation of viable jobs - Improvement of living conditions in urban and rural areas
Managing the environment	<ul style="list-style-type: none"> - Natural or ecological disasters - Protection of the environment - Protection and rehabilitation of historic and cultural heritage
Supporting public infrastructure with a social vocation	<ul style="list-style-type: none"> - Health - Education and vocational training - Administrative and judicial public service infrastructure



Regional Housing Programme Joint Initiative for Refugees & IDPs

- Launched in 2011, as a joint initiative of **Bosnia and Herzegovina, Croatia, Montenegro and Serbia**.
- To provide durable housing solutions to some 74,000 refugees or displaced persons.
- It should cost around EUR 600 million over 5 years.
- As part of this initiative, the CEB:
 - Manages a multi-donor fund.
 - Assists the four Partner Countries in preparing and implementing their housing projects.
- Last Friday took place the inaugural meetings of the Assembly of Donors and the Steering Committee.



WBIF Going Forward: Challenges and Opportunities in the Social Sector



Challenges in Identifying Social Sector Projects

- Need to put in place sectoral strategies to guide investments (combining policy reforms with capital investments).
- Success of projects closely linked to the quality of legal, regulatory & overall policy environment: sectoral approach.



Sector Strategy Challenges: Education

- Key policy challenge: how to adapt education systems to the changing needs, moving away from formal education.
 - Life-long learning and skills development.
 - Closing the skills gap: refocus the education and training systems from schooling inputs to learning outcomes.
- Improving the quality and relevance of programmes & resources.
- Integrate the idea that education and R&D are prerequisites for innovation.



Sector Strategy Challenges: Health

- Enhancing efficiency via financial systems.
- Shift from narrow focus on hygiene & sanitation to broader disease prevention & health promotion.
- Mainstreaming Health in all policies.
- Anticipating pressures on long-term care as a result of an ageing population.



Sector Strategy Challenges: Housing

- Housing as part of an integrated approach.
- Integration of vulnerable groups (migrants, displaced persons, and minorities). Avoid a housing “underclass”, including young people.
- Address the issue of energy poverty.
- Consider the impact of ageing population.



Financial Challenges

- Investments in social sector are often less of a priority: a link to economic growth is more difficult to demonstrate.
- Sector more reliant on concessional financing, rarely suited to being exclusively funded by loans.
- Look to new financial instruments to face the financial challenges: loan/grant blending, guarantees, risk-sharing schemes, etc.



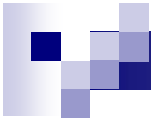
How Can WBIF Enhance Social Sector Investments? (I)

- Build the intellectual case - raise awareness of importance of social sector investments for competitiveness & economic growth, not only for inclusion.
- Focus on sector-based programming (consistent with IPA II)
- Focus on projects that are part of a strategic approach.
- Provide technical assistance and grants when needed.



How Can WBIF Enhance Social Sector Investments? (II)

- Contribute to fulfillment of EU/SEE 2020 objectives.
- Be innovative – involve the private sector and/or NGOs.
- Mainstream social issues within the sectors where WBIF is active.



Thank you for your attention