



Conference on Inter-parliamentary dialogue to further promote the European integration of the Western Balkans

- *Policies and investments aiding region's integration into the EU*
- *Contribution of IFIs to the process of EU integration in WB6*

Skopje, 20 October 2023

IFI contribution to the process of EU integration in WB6

- 34 acquis chapters & associated objectives and targets
- IFIs can play an important role:
 1. Financial resources required for reforms and investments
 2. Loans with tenors consistent with development cycle rather than usual capital market operations
 3. Knowledge and experience transfer in their areas of expertise
 4. Technical assistance funds and helping hand in preparing documentation; case of MKD
 5. Technical and financial monitoring to ensure objectives and standards
 6. First mover and then a catalyst for other entrants such as impact investors and profit-seeking investors
 7. Ability to unite and coordinate activities with other development partners; case of WBIF

Beyond actual accession process and its technicalities IFIs help candidate countries to:

- Address socio-economic inequalities and other conditions that limit the region's sustainable economic growth
- Meet Council of Europe standards on fundamental rights, rule of law, and democracy which are enshrined in the EU accession criteria.

MKD helping hand

- Forgotten due to absence of major conflict
- Limited interaction with international institutions
- Overworked public service and limited specialized expertise
- Brain drain and skill flight

Grant funds from CEB
and WBIF of EUR 23 million

TOTAL CEB & WBIF/EU	EUR 23.1 million
WBIF investment grants	EUR 9 million
WBIF TA	EUR 3.8 million
CEB own funds and trust accounts, including MRF	EUR 8.3 million
Interest rate subsidies	EUR 2 million

WBIF – Western Balkans Investment Framework

Development partners coordinate to aid EU integration

- EUR 26 bn in estimated investments
- EUR 3 bn in grants awarded
- EUR 8 bn in loans leveraged

CEB contribution to date:

- EUR 122 million in WBIF grants (EU and Bilateral Donors) to 22 projects
- EUR 518 million in loans
- EUR 1+ billion in total investments



Partner Financial Organisations



Donors



Western Balkans Partners



webalkans.eu

#TeamEurope

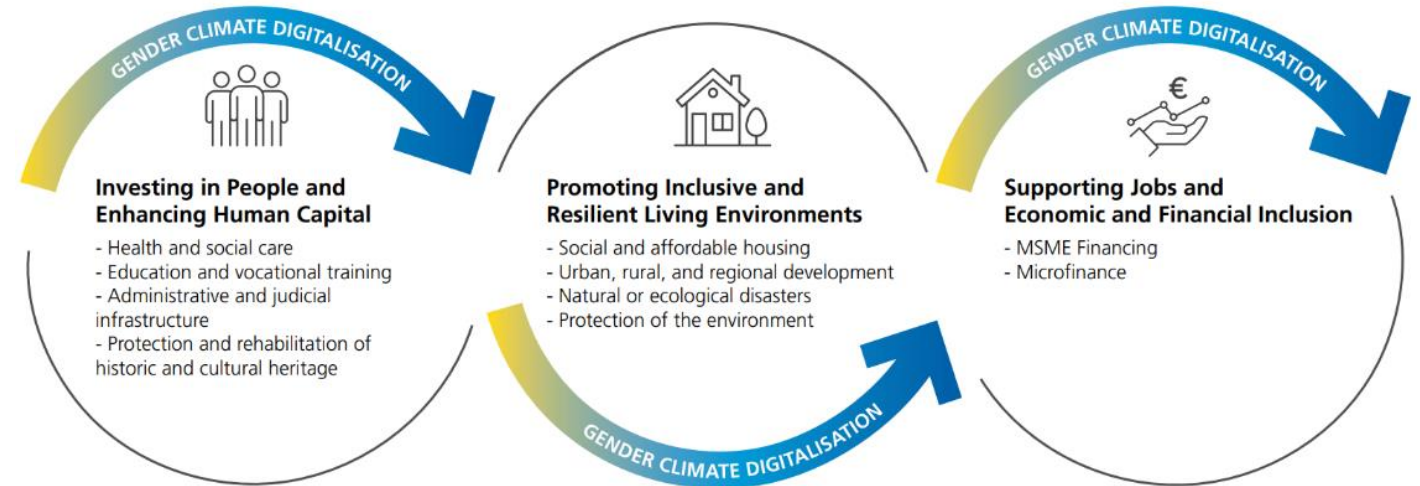


CEB priorities for 2023-2027

- CEB's priorities span across **three lines of action** and **several sectors of operation**, of which six are considered **"focus sectors"**:

Focus sectors:

1. Health and social care
2. Education and vocational training
3. Social and affordable housing
4. Urban, rural, and regional development
5. SME financing
6. Microfinance



- Three cross-cutting** themes interact with the CEB's priorities: climate change, gender equality, and digitalisation.

See: [Strategic Framework 2023-2027](#)

CEB and WBIF investments

Accession chapters and complementarities with Council of Europe objectives

CEB and CEB/WBIF investments	EU accession chapter	Complementarity with CoE initiatives in the region
<ul style="list-style-type: none"> European Prison Rules in BiH, MKD, MNE, and SRB Roma housing and social and economic inclusion through microfinance in MKD (Foundation Horizonti) and SRB (post-earthquake housing) 	Ch. 23 negotiations on judiciary and fundamental rights	☑
<ul style="list-style-type: none"> Science and research facilities in SRB and Belgrade University-Technical Campus Support education reform in MKD (physical education facilities) and ALB (smart/ICT labs for pre-university education in ALB); also MNE and KOS 	Ch 25 - science and research Ch. 26 - education and culture	*

*Indirect support via thematic areas of cooperation with some of the countries and the EU, to help the countries achieve SDG targets and meet ethical research standards in medicine, AI, etc.

CEB and WBIF/EU investments

Accession chapters and complementarities with Council of Europe objectives

CEB and CEB/WBIF investments	EU accession chapter	Complementarity with CoE initiatives in the region
<ul style="list-style-type: none"> • Social policy reform measures (support to access for all to universal services) in: <ul style="list-style-type: none"> • Health in SRB (e.g University Children's Hospital Tirsova 2) and MKD (e.g. Shtip hospital) • Housing in <ul style="list-style-type: none"> • BIH, including low income housing policies and regulation (e.g. CEB2) • KOS (e.g. establishment of an Adequate Social Housing Programme) • MKD (EUR 40 million in loans and EUR 2 million in interest-rate subsidy) • RHP housing in four war-affected states for internal and cross-border returns • MSME funding; more than EUR 500 million for the entire region 	Ch. 19 - social policy and employment	<div> <input checked="" type="checkbox"/> </div>

CEB's overall contribution to the region's integration/convergence

- EUR 3 billion in lending
- EUR 30 million in grants from the Bank's own resources and its bilateral donors
- e.g. MRF's contribution to the region's commitment to upholding fundamental rights, including during the 2016-2020 migration crisis

	Lending EUR million	Grants from own funds EUR million
ALB	239	3.4
BIH	291	7.3
KOS	85	1.2
MNE	213	0.1
MKD	317	10.3
SRB	1 707	7.4
TOTAL	2 852	30



Thank you for your attention

Vitomir.Miles.Raguz@coebank.org
Head of European Relations Office