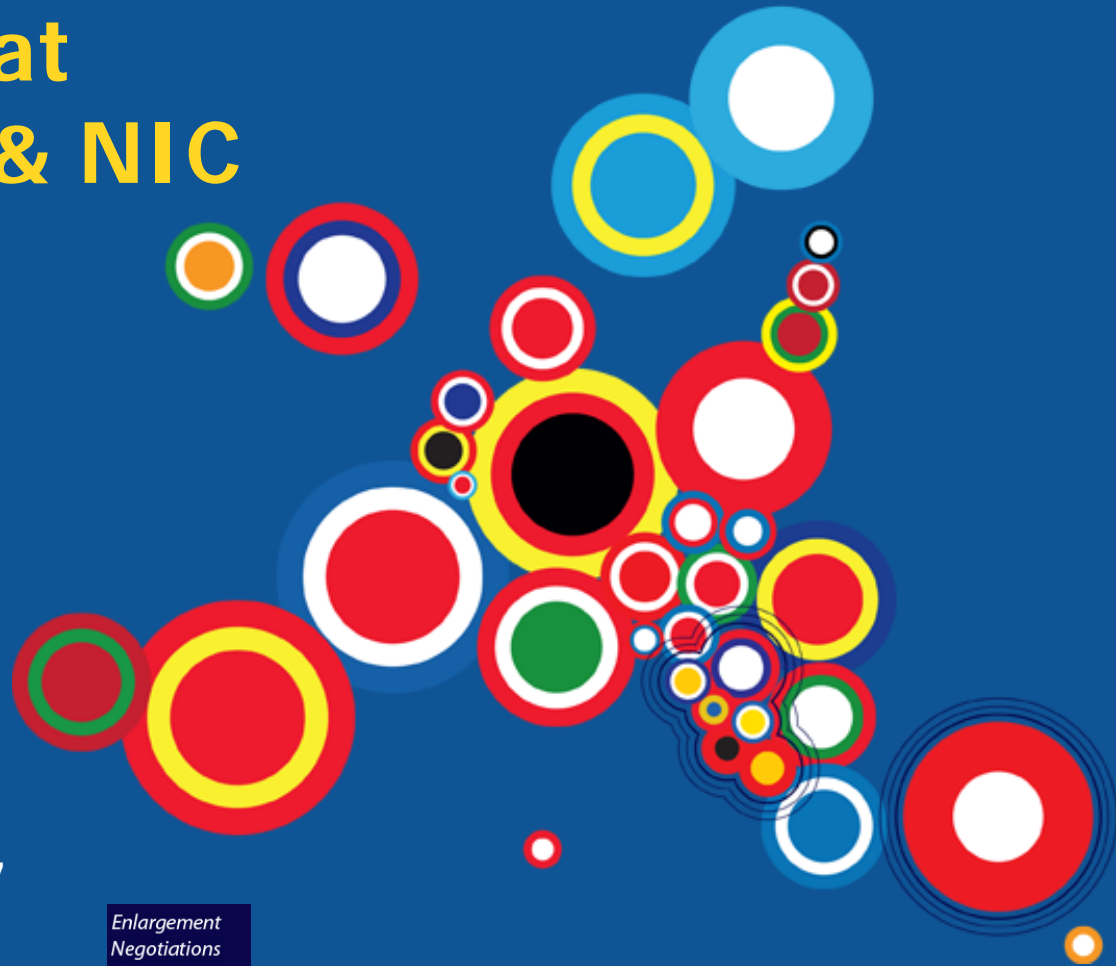




WBIF Secretariat Updates: YESS & NIC



Project Financiers' Group
Sarajevo, 9 November 2017

*Enlargement
Negotiations*



Youth Education Sector Study



Youth Education Sector Study YESS

- *IFICO commissioned following 16th WBIF SC;*
- *Objective: status assessment of YES in WBs and identification of potential for WBIF INV co-fin.*
- *Methodology*
 - Definition of Youth Education Sector;
 - Market (incl. SSPP & SPP) review;
 - Interviews;
 - Results and summary (ongoing).



YESS Findings “market situation”

- *Average public spending on education is less than 4% (EU average 5.3%);*
- *WB6 range from 57 to 70 out of 130 countries in the human capital index (HCI);*
- *Workforce segment “highly educated”: 20% (39% in EU): KOS 10%, ALB 14%, BiH 19%, MKD 24%, MNE & SRB 28%;*
- *About 20% of the workforce are “early school leavers” (11% in the EU).*



YESS “challenges”

Plus:

- Importance of youth education sector is understood;

Minus:

- Missing strategies, SOC SSPP and SPP inclusion;
- Lack of fiscal space & IFI interest (low values);
- Mismatch between the training quality/program and the skills demanded by the labour market;
- There is a lack of planning capacities.



YESS Findings “project potential”

- *20 potential investment proposed during IFICO mission (& status end Oct 2017):*
 - 10 related to university infrastructure;
 - 4 projects in VET sector;
 - 2 sports facilities;
 - 3 potentially mature investment projects;
- *Total investment costs around € 280 million;*
- *For many - additional TA needed to reach maturity.*



NIC Assessment

Structure

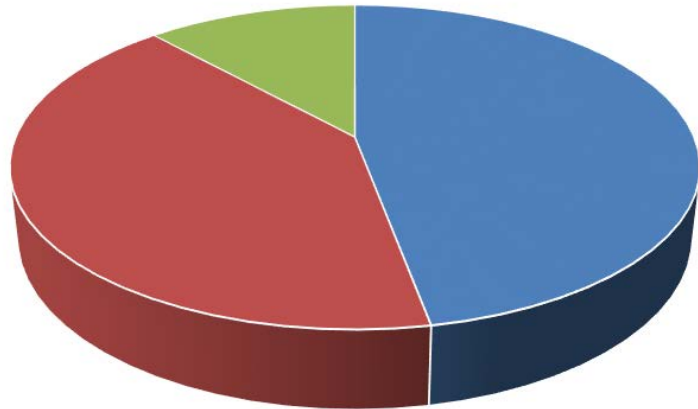
- *Review and assessment of (entire) NIC framework transposition (incl. beneficiary perception);*
- *Review of functionality of NIC framework;*
- *Identification of areas for improvement;*
- *High level action plan.*

Main Findings

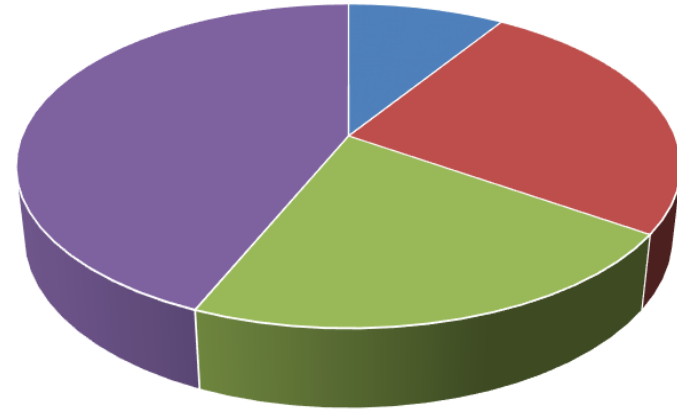
- *NIC Framework transposed and functioning:*
 - room for improvement (time & experience) in all countries.
- *High level of interest and buy-in*
- *Main benefits:*
 - Higher transparency levels in public investment process;
 - Better alignment between of strategies & projects;
 - Increased clarity on national priorities;
 - Ease in coordination with authorities and donors.

NIC effectiveness perception

Albania

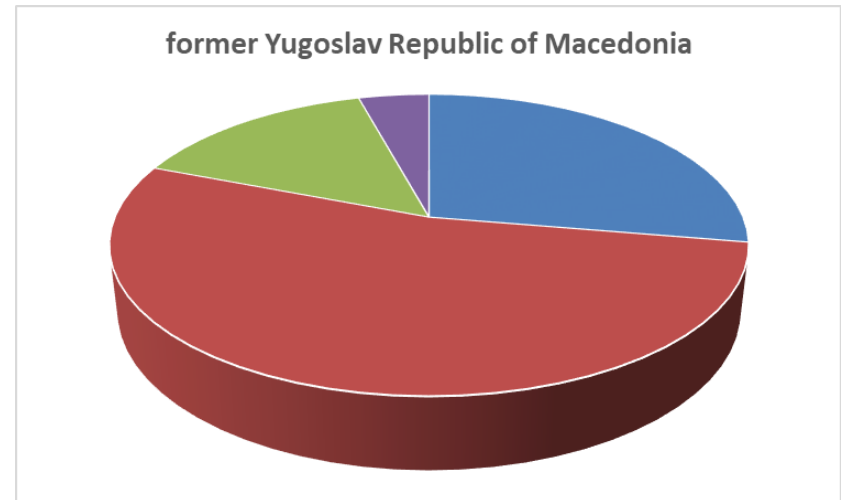
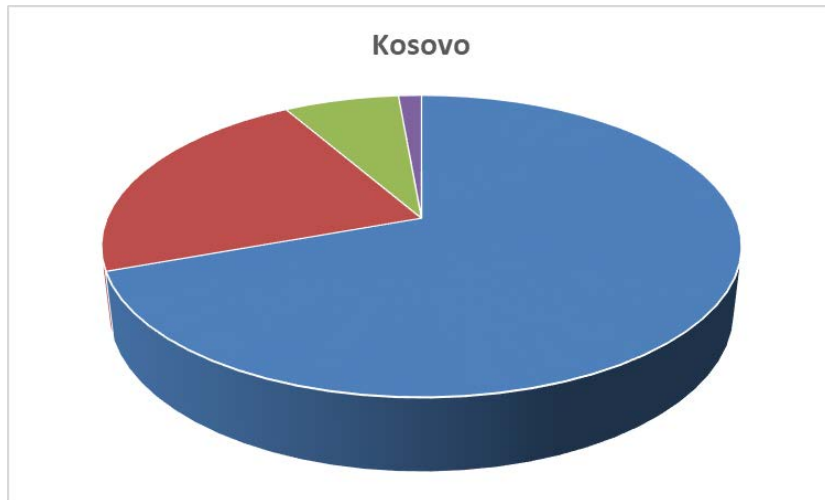


Bosnia & Herzegovina



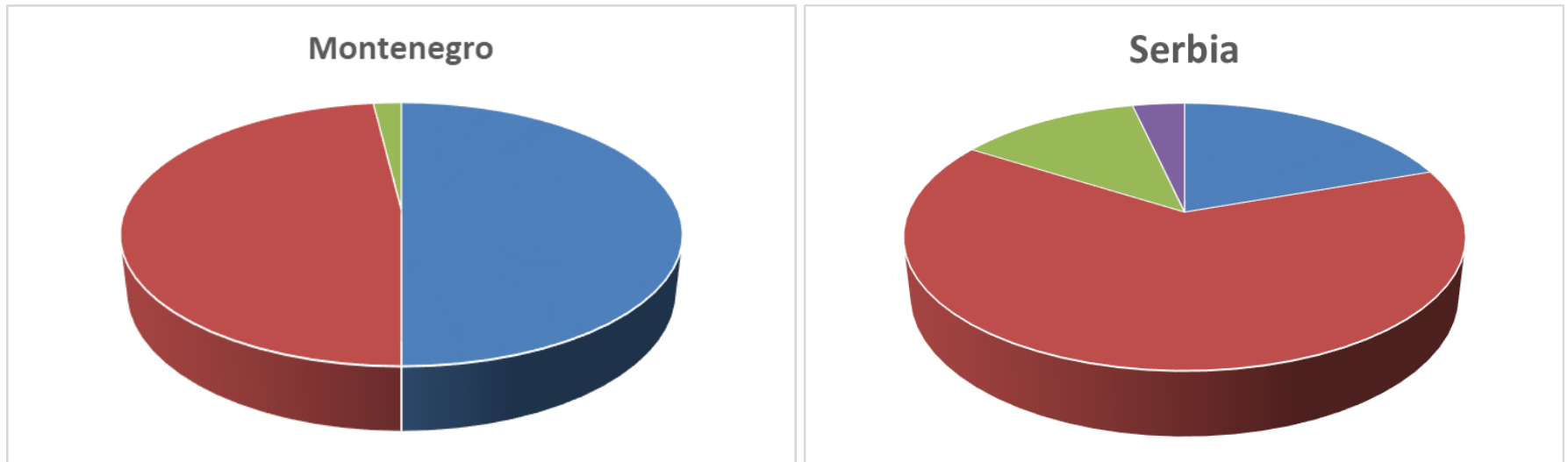
- Completely fulfilled
- Well fulfilled
- Partially fulfilled
- Not fulfilled

NIC effectiveness perception



- Completely fulfilled
- Well fulfilled
- Partially fulfilled
- Not fulfilled

NIC effectiveness perception



- Completely fulfilled
- Well fulfilled
- Partially fulfilled
- Not fulfilled

Main challenges

- Integration with medium term budget outlook: link projects and budget resources availability in development phase; reliability of projections?
- Coverage: IPA projects vs National projects and decentralised projects, parallel pipelines?
- Fiscal space: limited changes in absolute size, utilisation effectiveness maximised?
- Capacity needs: across the project cycle (incl. PIUs/PMUs), at technical and final beneficiary level;
- SOC sector: increased visibility but much work needed.



Next steps

- *More operational experience needed: on-going SPP revision process, etc.;*
- *Ensure fuller SPP coverage;*
- *Better tailoring of SPP size to expected financial capabilities over a reasonable time horizon;*
- *Closer integration of SPP with medium term budgeting procedures;*
- *Enhance and harmonise monitoring systems within each country.*



European
Commission

*Enlargement
Negotiations*

Thank You!

Growing Together

