



Southern Europe Development Never Ends

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Outline

- ▶ High Income Countries: The WBG Value Proposition
- ▶ Exhibit A: WBG activities in Greece
- ▶ Exhibit B: WBG activities in Cyprus

1. High Income Countries (HICs): The WBG Value Proposition

Towards a truly global “solutions bank”

Development Never Stops



- ▶ The Sustainable Development Goals (**SDGs**) are relevant for all countries irrespective of income level
- ▶ Most urgent development challenges **transcend national borders** and income thresholds (refugees, migration, climate change, Ebola): excluding HICs would leave gaps
- ▶ HICs have some **development legacies** and **reform amnesia** hindering progress towards the SDGs. Legacies exist in areas such as governance, competitiveness, equity and sustainability
- ▶ Concept of **WBG** as a “**development cooperative**” with service offerings to **all** members

Learning from World Bank History



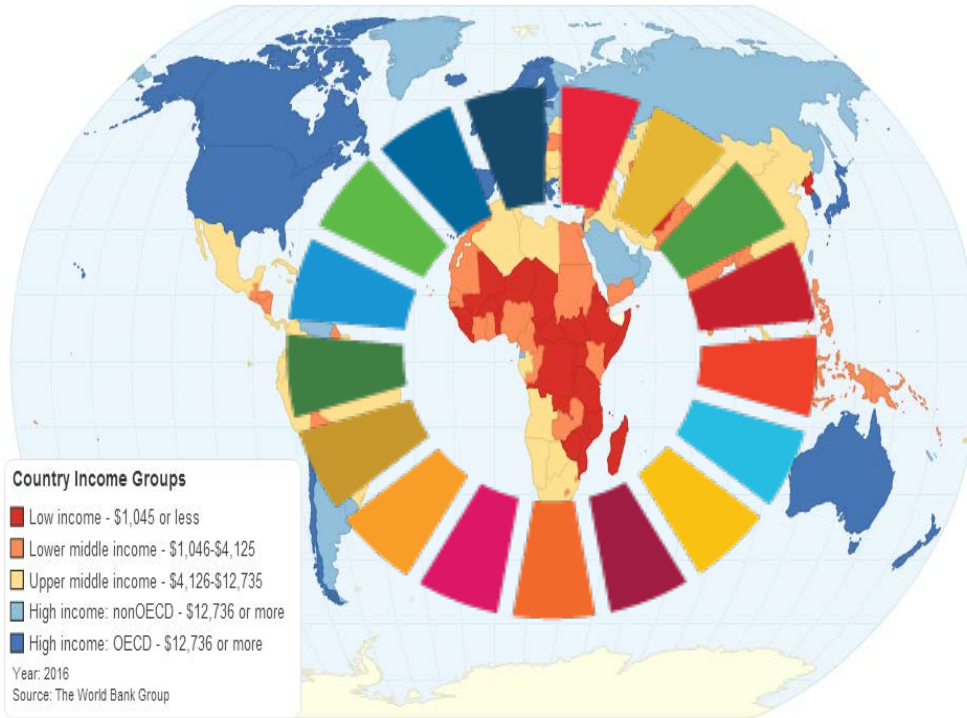
“The Bank may, or even should, be able to elaborate on its mission and vision from time to time to meet the changing requirements of the world it serves.”

(Ibrahim Shihata, former EBG General Counsel)

Constant evolution since 1944

- ▶ **First IBRD loan to France,**
- ▶ **IDA and the fight against poverty,**
- ▶ **Anti-corruption,**
- ▶ **Climate Change,**
- ▶ **...and more (from money bank to knowledge bank, MIC action plan etc. etc.)**

Learning from each other



Learning about development solutions

- ▶ Relevant **knowledge generation** increasingly occurs up *and* down the per capita income scale
 - conditional cash transfers in NYC
 - GMI work in Greece
- ▶ Operational engagement in HICs provides opportunity to more systematically capture development solutions from HICs resulting in Low Income Countries and Middle Income Countries benefitting from access to **“global solutions.”** Examples:
 - Anti-Corruption Curriculum Italy
 - Investment Licensing Reform Greece
 - Cadaster Reform Greece
 - Broadband TA for rural areas and second tier cities across EU

World Bank value proposition



WBG unique combined strengths are ...

- ▶ Synthesis of global views
- ▶ Long term perspective
- ▶ Operational experience
- ▶ Crisis response capability
- ▶ Financial sophistication
- ▶ Global presence
- ▶ Global convening power
- ▶ Well established safeguards regime
- ▶ Advancing knowledge about “what works”
- ▶ Dialogue and action on development challenges, bringing perspectives of all member countries
- ▶ Customized development solutions backed by finance, knowledge and convening services

Thinking local – adapting to global



When the WBG is good it ...

- ▶ is truly global
- ▶ is an honest broker, non-partisan
- ▶ has the “Walk-away-ability” (integrity, not profit oriented)
- ▶ has deep sectoral knowledge and can offer multi-sectoral solutions across the Group
- ▶ **can go from the “what” of reforms to assisting with the “how to”: hands-on implementation TA**

It is the MIX of these 5 qualities that makes the WBG unique !

2. World Bank Group activities in Greece

Social Protection and Competitiveness

Southern Europe Program

1960s-
90s

Southern
European
countries
graduate

2012

President Kim
decides re-
engagement
with Greece
through EUTF

2014/15

new RAS and
TF operations
begin in
Greece,
Cyprus, Italy
and Spain

2016-now

EU CMU is
created and
Cyprus
reunification
negotiations
support is
launched

World Bank program in Greece



- Greece's government is interested in reforming its **social welfare system** aiming at generating savings of 1/2 percent of GDP and introducing a **guaranteed minimum income (SSI)** program
- The WBG is conducting a **Social Welfare Review** and supporting the **national rollout of the SSI**



- Greece's government is reforming its **investment licensing system** to be less prescriptive and more inclined to performance-based standards
- WBG support helped pass a **Investment Licensing Framework Law** and is now helping with implementation and fine tuning through amendments



- Greece's government is interested in finishing reform of the **Greek cadaster**
- WBG support **project management** and the establishment of **joint cadaster – property registry offices. National Spatial Data Infrastructure (NSDI)** capacities will also be strengthened



- The Greek Central Bank is working on making the financial system more resilient to risks stemming from **Money Laundering and Financing of Terrorism (ML/FT)**
- The WBG provides a **National Risk Assessment** methodology for ML/FT and is supporting the Greek Central bank in its application to Greece



IFC program in Greece



Objective 1: Strengthen the Financial System and Enhance Access to Finance

IFC's focus in the financial sector is on:

- (i) recapitalizing and strengthening the systemic banks;
- (ii) helping resolve NPLs;
- (iii) supporting capital markets development; and
- (iv) supporting banks in trade financing by providing risk mitigation

e.g: Recapitalization of Alpha Bank, Eurobank, Piraeus and NBG



Objective 2: Mobilize Private Sector Participation in Infrastructure to Improve Efficiency

IFC will focus on three areas:

- (i) Support Privatizations;
- (ii) Enhance private sector participation in the economy;
- (iii) Roll out the ECA Sustainable Cities Initiative

e.g. Fraport regional airports privatization; Grivalia energy efficiency in commercial property



Objective 3: Support Increased Competitiveness for Domestic Companies

IFC focuses on investments in companies in high-growth sectors, especially tradable ones. This complements IFC's work on improving access to finance, supporting investment in infrastructure and logistics, and enhancing private sector participation in network industries.

IFC will also explore opportunities in sectors that have a marked impact on GDP and job creation, such as tourism and logistics.

3. World Bank Group activities in Cyprus

Reunification

World Bank program in Cyprus



- The Republic of Cyprus's government is interested in upgrading its **Public Investment Management (PIM)** systems
- The WBG has supported the production of **PIM manuals** and is currently negotiating support for equipping the **PPP unit** in the department of Public Works with adequate methodologies



- The EC (SRSS) is implementing an aid program to help the **Turkish Cypriot community (TCC)** prepare for reunification
- The WBG has performed a number of **analytical tasks** in recent years funded through an EU Trust Fund; with reunification talks getting nearer to a conclusion, new tasks will focus more on **capacity building**



- Under the UN umbrella for negotiations, the WBG has been called upon to help analyze **the economic impacts of reunification**
- WBG support is particularly critical in the area of **property settlement** for Internally Displaced Persons (IDPs) and the structure of the new **federal government**

- The Cypriot Central Bank is working on making the financial system more resilient to risks stemming from **Money Laundering and Financing of Terrorism (ML/FT)**
- The WBG is providing a **National Risk Assessment** for ML/FT through a RAS and is supporting the Cypriot Central Bank in its application to Cyprus



Thank you

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