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Council of Europe Development Bank

Smart investments? Let's talk prevention: Innovative financing and investments in health promotion

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EuroHealthNet
EUROPEAN PARTNERSHIP FOR IMPROVING HEALTH, EQUITY & WELLBEING

Session 2: How to ensure clever use of available funds for health promotion?

How investments in health infrastructure could shift to investments in health and social services?

1. What is the CEB?

2. How is the CEB supporting the Health sector?
   - Type of instruments, traditional and innovative
   - Projects blending infrastructure and services

3. The way forward:
   - Addressing inequalities: vulnerable populations

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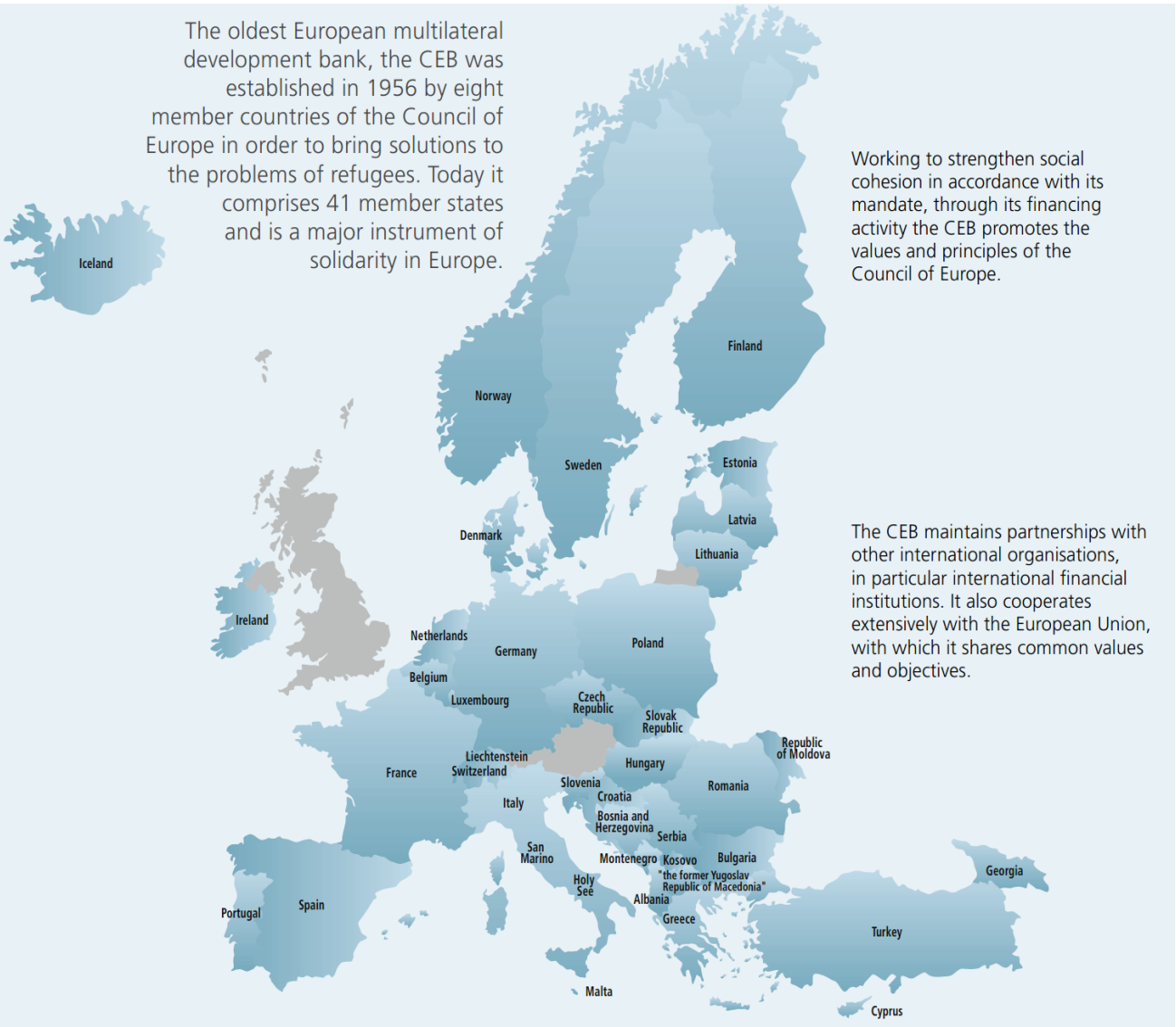
1. CEB: Europe's social development bank

The oldest European multilateral development bank, the CEB was established in 1956 by eight member countries of the Council of Europe in order to bring solutions to the problems of refugees. Today it comprises 41 member states and is a major instrument of solidarity in Europe.



Working to strengthen social cohesion in accordance with its mandate, through its financing activity the CEB promotes the values and principles of the Council of Europe.

The CEB maintains partnerships with other international organisations, in particular international financial institutions. It also cooperates extensively with the European Union, with which it shares common values and objectives.

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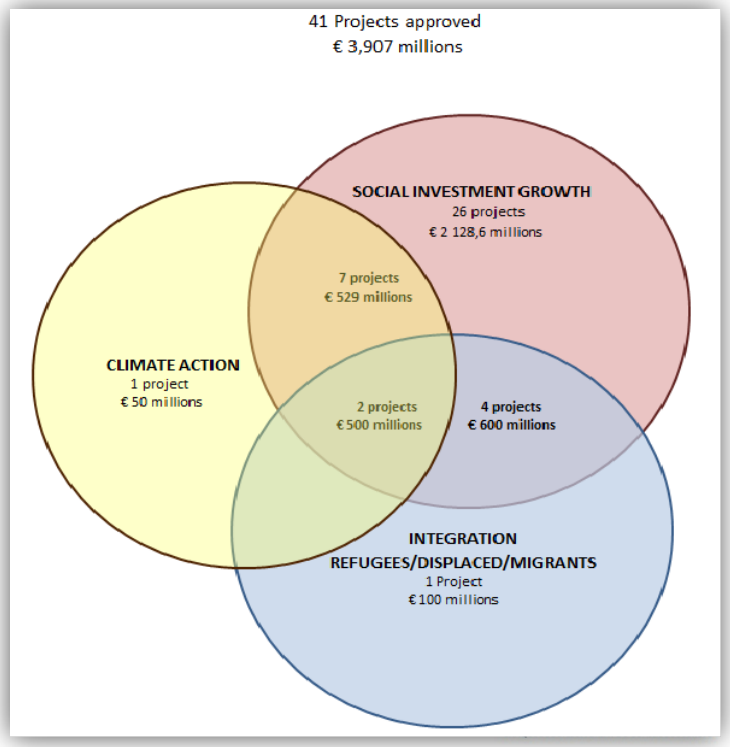
2017 Key figures

- Almost € 45 billion in projects financed since the inception of the CEB
- Projects approved: € 3.9 billion
- Loans disbursed: € 2.3 billion
- Loans outstanding: € 13.8 billion
- Equity: € 3 billion
- Total assets: € 23.8 billion
- Net profit: € 112 million

Borrowers: Governments, Regional or local authorities, Financial institutions (commercial, national development or state promotional banks, microfinance institutions).

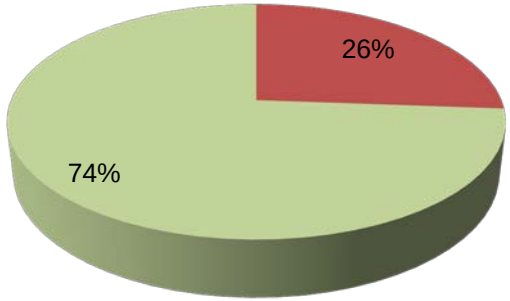
Development Plan 2017-2019 strategic lines of action:



2. The CEB and Health:
Supporting sustainable and inclusive growth

- The right to protection of health is guaranteed by the European Social Charter.
- By investing in effective and efficient healthcare, the CEB contributes to social cohesion.

Total approved (1982-2017): € 5 billion
Target countries vs. other Member States



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2.1. Different types of instruments, with the same objective

Diversified financing options:

- Project loans
- programme loans
- public financing facilities
- EU Co-financing Facility
- Cross sectoral loans
- Grants

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Traditional financing instruments: sovereign loans (Projects funded through Public Authorities)

At central level: Ministry of Finance – Ministry of Health

RENOVATION & MODERNISATION OF HEALTH FACILITIES IN CROATIA (2007 and 2014):
Objective: the renovation and equipment of seven health facilities throughout Croatia, including two war-damaged hospitals in Slavonia (in Lipik and Vukovar)
CEB loan: HRK 327 million (equiv. to €44 million), covering 44% of the total cost of HRK 747 million

TIRANA UNIVERSITY HOSPITAL MOTHER TERESA (2014):
Objective: Rehabilitation of the General Medicine building, construction of a 6 story new building to be located next to the main building
Consultancy Services for Technical Assistance for Engineering Design Project Studies, Bid Administration, Supervision of Civil Works/Medical Equipment and Furniture Installations, Training and Commissioning.
CEB loan: € 16 million, covering 64% of total cost of €25 million

Projects funded in cooperation with other IFIs and/or combination with EU funds

MODERNISATION OF THE REPUBLICAN CLINICAL HOSPITAL IN MOLDOVA (2008 - 2015):
Objective: This project was a subcomponent of a larger project supporting a long-term programme, "*Health Services and Social Assistance Project" (HSSAP)*, elaborated by the Government in cooperation with the **World Bank**, in order to improve the quality and effectiveness of health services
CEB loan: € 9 million, covering 32% of the total (revised) cost of € 28.3 million

Also financed by the World Bank (IDA credit of US$ 17 million), the European Union (NIF grant of € 3.1 million, administered by the CEB) and other donors, including the Swedish International Development Agency (SIDA), the United Kingdom Department for International Development (DfID) and UNICEF.

CEB grant support: €2 million allocated in the form of interest-rate subsidies from the SDA.

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Projects funded through financial intermediaries or directly

EQUIPMENT LEASING FOR PUBLIC & PRIVATE HEALTHCARE PROVIDERS POLAND (2011 - 2013):
Objective: the purchase of medical equipment by public and private healthcare sector entities
Borrower: SG Leasing Equipment Polska,
Beneficiaries: healthcare providers & SMEs
CEB loan: €50 million, covering 50% of the total cost of €100 million
€90 million, covering 50% of the total cost of €180 million

SANT PAU RESEARCH INSTITUTE, SPAIN (2016):
Objective: construction & equipping of the new research facilities at Barcelona's Sant Pau Hospital
Borrower: CaixaBank
Beneficiaries: about 300 researchers of the Research Institute
CEB loan: €9 million, covering 60% of the total cost of €15 million

INSTITUT JULES BORDET, BELGIUM (2012):
Objective: reconstruction of the Institut Jules Bordet
Borrower: Institut Jules Bordet
Guarantee from Brussels Region
Beneficiaries: Cancer patients, doctors and researchers
CEB loan: €110 million, covering 47% of the total cost of €234 million

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Projects funded through a Public sector Financing Facility (budget support)

SUPPORTING SOCIAL COHESION IN THE AUTONOMOUS COMMUNITY OF MADRID (2018-2021):

Objective: exclusively dedicated to the social care sector and aiming at strengthening Madrid's socio-economic recovery and improving social cohesion among vulnerable groups.
- Would partially finance expenditures associated to the provision of goods and services to support vulnerable persons such as the elderly, the victims of gender violence as well as people with disabilities.
- Complements a social impact bond.

CEB loan: *to be approved* in June 2018, €200 million, to finance 30% of the €662 million total project cost

To help reaching out the objectives:
Trust Funds complementing the Bank's business model

- Donor funds help the CEB fulfil its mandate by enabling the Bank to support more **highly social** projects
- Donor funds finance part of CEB projects or **technical assistance**, guarantee or subsidise CEB loans
- Largest donor-funded operations help **migrants and refugees**, a core mandate of the Bank: Regional Housing Programme (RHP), Kilis Hospital in Turkey, Migrant and Refugee Fund (MRF)
- Strong support from member states: recent contributions by **Germany** (RHP, MRF), **Slovak Republic** and Italy (dedicated trust funds, MRF)

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2.2. Projects blending infrastructure and services

Technical support to projects preparation and implementation

1. Support Ministries/regional authorities and/or intermediary banks to improve the **project design**, guide the preparation of **feasibility studies**, and enhance the **design investment** to better meet the expected social objectives (for example, reorganisation of medical practice in hospital proposals in line with new technology and architectural principles).

2. Provide **technical expertise** (team of senior sector experts), prepare investment strategy, make bankable projects and facilitate access to best international practices,

3. Make recommendations, suggest **policy adjustments** within strategic frameworks

   - Serbia Tiršova hospital: DBM contract advantages
   - Moldova hospital decentralization: integration of regionalisation and oncology national strategy

3. Way forward: dealing with more complex, integrated projects

Increasing our emphasis on targeting specific vulnerable and isolated populations such as:

- *Populations from disadvantaged backgrounds:* Romania
- *People living in rural/isolated areas:* Moldova
- *People with disabilities:* Spain, BiH
- *Unemployed:* Job creation in Poland (SG)
- *Elderly:* Belgium, France
- *Victims of gender based violence:* Spain
- *Homeless, refugees:* Serbia
- *Prisoners:* Moldova

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…and promoting integrated care

Projects funded in cooperation with other IFIs and/or combination with EU funds

DEVELOPMENT OF PRIMARY HEALTH CARE FACILITIES IN BOSNIA & HERZEGOVINA (2005-2016**):**
Objective: the rehabilitation and medical and IT equipment of family medicine facilities (ambulantas), and training for doctors and nurses in Family Medicine specialisation.
The project was part of the "*Health System Enhancement Program" (HSEP)*, elaborated by the Government of the Federation BiH and Republika Srpska in cooperation with the World Bank, the CEB and cantonal Governments.

The project included 3 components:
Primary Health Care Restructuring
(based on family medicine model)
Improvement of Health Care Management Capacity
Health Policy Formulation and Project Support

CEB loan:
Approved in 2005, US$ 14 million,
Approved in 2011, € 9.2 million
The project was co-financed by the World Bank via IDA credit amounting to US$ 17 million (Phase 1) and € 7.4 million (Phase 2).

CEB grant support: € 4.6 million allocated in the form of SDA interest-rate subsidies

Making links between policy makers, practitioners, and research…. and bankers

The ARCHADE program

ARCHADE (Advanced Resource Centre for Hadrontherapy in Europe) is a collaborative initiative to create a European center dedicated to hadron therapy research, development and clinical treatment. The CYCLHAD Hadrontherapy Center, Located in Caen, France, will carry out multidisciplinary research and treat up to 345 patients per year using proton therapy.
€ 50 millions of € 129 millions.

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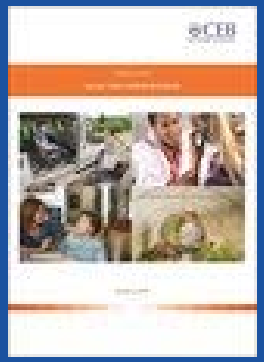
For more information, visit us at www.coebank.org



Thank you for your attention

Questions and answers