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Western Balkans
Investment Framework **WBIF**
BUILDING THE EUROPEAN FUTURE TOGETHER

BLENDING
PUBLIC
PRIVATE
GUARANTEES



Key
Achievements
2023

Economic and Investment Plan
for the Western Balkans 2021-2027

WBIF From Plan to Action



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Road Corridor VIII, North Macedonia

Foreword



In 2024, the Western Balkans Investment Framework (WBIF) celebrates a significant milestone: its 15th anniversary.

Olivér Várhelyi
European Commissioner
for Neighbourhood
and Enlargement

These 15 years are a testimony to our enduring commitment to **connecting the Western Balkans to the European Union** as we support its economic and social development. In this year's booklet, we celebrate some of the remarkable achievements we have made together this year.

The Western Balkans Investment Framework provides the foundation for implementing our **€30 billion Economic and Investment Plan**. Together, we have endorsed **68 much-needed projects**, by September 2024, the expected mobilisation of funds reached €17.2 billion, which is 57% of the expected €30 billion by the end 2027. Today, we have more than €7.3 billion in new project applications, far exceeding the funds available and showing the highest level of absorption capacity ever seen before.

These flagship projects connect towns and villages with roads, railways, businesses, schools, and hospitals with electricity and digital cables, significantly improving the daily lives of citizens in the region.

Take the **railway Corridor X**, for example: with the ongoing construction and track upgrades of this vital inter-connection for freight and passengers, we will connect Serbia, North Macedonia, Croatia, Bulgaria, and Greece or **Corridor VIII** connecting Albania, North Macedonia, and Bulgaria. **The Trans-Balkan Electricity Corridor** is another excellent example. We have installed many sections of this Corridor, the key enabler for the region's energy transition. Through these investments, we create new markets and job opportunities that benefit citizens and businesses in the Western Balkans and beyond.

Although we take a moment to recognize our achievements over the past 15 years, we are certainly not standing still. The EU's **Reform and Growth Facility**, a crucial tool in our endeavour, has entered into force to support **the ambitious objectives of the Growth Plan** to boost the region's socio-economic convergence with the EU at an increased pace to support its EU accession.

The WBIF, as the key implementation platform of the Facility, will channel an additional **€3 billion** of grants and loans to support priority investments in key areas such as sustainable transport, clean energy, digital future, and human capital development beyond the Economic and Investment Plan. These investments and the identified most relevant socio-economic reforms will unlock the region's growth potential.

From a technical assistance platform, today, **the WBIF** has become the main cooperation and investment vehicle in connectivity.

I express my heartfelt gratitude to all our partners, whose unwavering support and partnership have been integral part to our success over the past 15 years.



Endorsed flagship investments 2020-2023

The WBIF is the main vehicle to implement The Economic and Investment Plan for the Western Balkans 2021-2027

Economic and Investment Plan for the Western Balkans: key facts

- Aims to spur the long-term economic recovery of the region, support a green and digital transition, foster regional integration and convergence with the European Union
- Ten investment flagships in the areas of sustainable transport, clean energy, environment and climate, digital future, private sector, and human capital
- Up to €9 billion in EU funding
- €1 billion in guarantees to mobilise investments of up to €20 billion over the next years
- Good governance and transparency are guiding principles
- A Common Regional Market as a stepping stone to integrate the region more closely with the EU Single Market

Since the adoption of the Economic and Investment Plan in October 2020, the WBIF endorsed 59 flagships for €8.9 billion investments in key railway, road and waterway interconnections, renewable energy, energy efficiency and power interconnectors, waste and water management, new health and education facilities, digital infrastructures and private sector development. The European Union and bilateral donors contribute €2.6 billion in grants to these investments.

Furthermore, 21 guarantees will benefit from up to €937 million in EU guarantee coverage. These guarantees aim to crowd-in private investments in order to increase the investment capacity of the region across the European Commission's policy priorities.

The implementation of the EIP is a step further in delivering the EU Global Gateway initiative. The WBIF is investing to deliver on the political commitment to spur the region's economic development, help to overcome the current energy crisis and to make significant progress in regard to the Connectivity, Innovation, Green and Digital Agendas.

Flagship investments endorsed in 2023

19 flagship investments endorsed (59 flagships since 2020)

€784 m WBIF EU and bilateral donor grants (€2.6 bn since 2020)

€1.7 bn IFI loans (€5.1 bn since 2020)

€2.8 bn estimated investments (€8.9 bn since 2020)

Sustainable transport

6 flagship investments endorsed in 2023

€1.6 bn estimated investment

€1 bn IFI loans

€570 m EU grants

Clean energy

8 flagship investments endorsed in 2023

€567 m estimated investment

€380 m IFI loans

€127 m EU and Bilateral Donor grants

Environment & climate

1 flagship investment endorsed in 2023

€33 m estimated investment

€25 m IFI loan

€3 m Bilateral Donor grant

Human capital

1 flagship investment endorsed in 2023

€170 m estimated investment

€95 m IFI loan

€22 m EU grant

Private sector

3 flagship investments endorsed in 2023

€449 m estimated investment

€180 m IFI loans

€62 m EU grants

Guarantees approved by 2023 (part of Energy Support Package)

6 guarantees in 2023

Up to **€419 m** guarantee coverage

Up to **€22.2 m** technical assistance

Growth Plan for the Western Balkans

On 8 November 2023, the European Commission adopted a new Growth Plan for the Western Balkans. **The four pillars of the Growth Plan:**

1 Enhancing economic integration with the European Union's Single Market

Seven initial priority areas are identified for integration, which the EU could offer to the Western Balkans in crucial sectors of the economy

2 Boosting economic integration within the Western Balkans through the Common Regional Market

Making business competitive, overcoming fragmented markets, attracting investors and retaining works in a common regional market could add 10% to their economies

3 Accelerating fundamental reforms

Each Western Balkan partner will prepare a Reform Agenda with a set of priority reforms broken down into milestones. Their completion will trigger the release of funds from the new Growth Plan

4 Increased financial assistance

A new financing instrument, the Reform and Growth Facility, will make €6 bn available for the Western Balkans, combining grants and concessional loans

Pillars 3 and 4 of the Growth Plan will be implemented through a new

€6 bn
Reform and Growth Facility
for the Western Balkans

A minimum of **€3 bn** will be invested through the WBIF

to support public sector infrastructure investments in key sectors:

-  Sustainable transport
-  Clean energy
-  Digital future
-  Human capital

The remaining funds will be disbursed as **direct support to the budgets** of the Western Balkan partners

The disbursement of both amounts will depend on progress in implementing the measures contained in the Reform Agendas



WBIF Facts & Figures

€31.6 bn

estimated investment in the public sector

€3.7 bn

grants awarded to the public sector

€6.3 bn

estimated investments in the private sector

WBIF milestones

- 8 December 2023**
5th WBIF Strategic & Operational Boards; 4th EIP package endorsed

9 December 2009
Launch of WBIF; first 26 grants approved
- 8 November 2023**
Growth Plan for the Western Balkans adopted

2011-2012
Launch of WB EDIF and REEP
- 29-30 June 2023**
4th WBIF Strategic & Operational Boards; 3rd EIP package endorsed

28 August 2014
Berlin Process – new dynamics for EU path
- 6 December 2022**
Western Balkan Summit in Tirana; Launch of Energy Support Package for Western Balkans, €1 bn support

27 August 2015
1st Western Balkans Summit; Vienna – €1 bn in EU funding pledged for Connectivity Agenda
- 5 December 2022**
3rd WBIF Strategic & Operational Boards endorsed 1st Guarantee Facility and 2nd EIP package

16 December 2015
1st Connectivity Agenda grants approved (€150 m)
- 21-22 June 2022**
2nd WBIF Strategic & Operational Boards; 1st round of private sector blending approved

16-17 December 2019
WB EDIF reintegrated under WBIF
- 16-17 December 2021**
WBIF strategic orientations adopted; first package of EIP flagship projects endorsed

6 October 2020
Economic and Investment Plan for the Western Balkans adopted
- 10-11 December 2020**
WBIF new governance; Connectivity Agenda pledge €1 bn fulfilled

Achieved results



Sustainable transport*

1,022 km

of new roads



Clean energy

187 MW

renewable energy installed



Environment & climate

2.4 m

people with access to improved drinking water and sanitation



Digital future

Implementation

of Digital Agenda for the Western Balkans



Private sector**

308,137

MSMEs supported



Human capital

96,600

students benefitting from better schools annually

* 2023 figures include adjustments made to the length of two subsections of Corridor Vc that suffered deviations from planned and had not been reported in the 2022 Report.

** This figure includes the number of MSMEs through EDIF, GGF, EFSE and ENEF II.

2008-2023

Partner financial organisations

	Grants as Lead IFI	Signed loans
 European Investment Bank Global	€1.7 bn	€3.8 bn
 European Bank for Reconstruction and Development	€1.4 bn	€3.2 bn
 CEB COUNCIL OF EUROPE DEVELOPMENT BANK BANQUE DE DEVELOPPEMENT DU CONSEIL DE L'EUROPE	€103 m	€611 m
 KfW	€514 m	€1.2 bn
 THE WORLD BANK IBRD - IDA WORLD BANK GROUP	€137.7 m	€639 m
 AFD AGENCE FRANÇAISE DE DEVELOPPEMENT	€2 m	—
 European Investment Fund	€182.8 m	—
 IFC International Finance Corporation WORLD BANK GROUP	€19.5 m	—

Western Balkans beneficiaries

	Estimated value of investments	Signed loans	WBIF grants
 Albania	€4.5 bn	€722 m	€464.1 m
 Bosnia and Herzegovina	€6.7 bn	€2.3 bn	€1.1 bn
 Kosovo*	€2 bn	€418 m	€297 m
 Montenegro	€2.3 bn	€272 m	€341.3 m
 North Macedonia	€3.4 bn	€1.3 bn	€486.6 m
 Serbia	€9.5 bn	€3.5 bn	€752 m

* This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.

2008-2023*

Public Sector Blending



* These figures refer to all WBIF projects 2008-2023, including all 59 EIP flagship projects endorsed in 2020-2023.

Private Sector Blending



WESTERN BALKANS GUARANTEE FACILITY



EFSD+

Guarantees endorsed

Guarantees

21

Guarantee coverage up to

€937 m

EU technical assistance grant up to

€47.1 m



The Bilateral Donor Community

The WBIF Bilateral Donors contribute directly to the European Western Balkans Joint Fund (EWBJF) in support of a sustainable and green transition in the Western Balkans. The Bilateral Donors are actively involved in the WBIF governance and operations to ensure concerted and coordinated efforts. They continue to support small scale yet high impact projects.

20
investments
co-financed by WBIF
Bilateral Donors

13
Environment
& climate projects

3
Clean energy
projects

4
Human capital
projects

€525 m
estimated
investment value

€65 m*
investment
grants

* The remainder of the Bilateral Donor contributions has been allocated to technical assistance for project preparation.

Bilateral Donor contributions to European Western Balkans Joint Fund 2009-2023		
(as of December 2023)		
Active Bilateral Donors		
	Austria	€22 m
	Croatia	€2 m
	France	€2.1 m
	Germany	€21.1 m
	Hungary	€0.7 m
	Italy	€10.3 m
	Luxembourg	€2 m
	Norway	€30.4 m
	Poland	€2 m
	Slovenia	€1 m
	Spain	€0.5 m
	Sweden	€23.3 m
Former Bilateral Donors		
	Czech Republic	€2 m
	Finland	€0.5 m
	Greece	€0.5 m
	United Kingdom	€5.3 m
	Transfer from EBRD Fund	€5.2 m

Total Bilateral Donor contributions to European Western Balkans Joint Fund 2009-2023

€130.9 m

Better schools and innovative learning environments

Renewable energy driving decarbonisation

Efficient water and sanitation services

Reduced impact on the environment

Frode Overland Andersen
Director-General
Norwegian Ministry of Foreign Affairs

Bilateral Donor Community representative
WBIF

As Bilateral Donors to the WBIF, we will continue to support the beneficiaries. Addressing social needs and improving the quality of public services – especially at the local level – is an important priority. We will also continue to support the green and digital transition. The WBIF has the structure, governance and means to implement this agenda.

Flagship 6
Renovation wave

Public sector energy efficiency project

This investment project retrofits healthcare facilities, municipal buildings, and public lighting systems across the country. It's a significant step towards reducing energy consumption and implementing a sustainable financing mechanism in the public sector.

€2.2 m
WBIF Bilateral Donor grant

Flagship 7
Waste & wastewater management

Gjilan wastewater treatment plant and collection network

This investment will construct a centralised wastewater treatment plant for Gjilan and upgrade and extend the city's sewerage system. The project is designed to address critical wastewater treatment needs in the city and neighbouring communities, benefitting 110,000 inhabitants.

€2.5 m
WBIF Bilateral Donor grant

WBIF Open4Business

WBIF Private Sector priority brings together several previously separate initiatives under one banner. In 2023 a concerted effort was made to promote opportunities for private sector development, with a dedicated event and a redesigned private sector webpage.

MSMEs account for almost half of private sector jobs in the Western Balkans, and around 60% of the added value created there. A thriving private sector is needed to fight against brain drain, create sustainable jobs and ensure people have the best opportunities to stay in the region.

Event outcomes

- **500 participants** from the Western Balkans, over 50% of which were MSMEs operating in the region
- **80 financial institutions**, including IFIs and their partner financial institutions (PFIs)
- **+60%** of all registered participants physically present
- **+80** Business-to-Finance meetings held



OPEN4 BUSINESS
Made in the Western Balkans
Supported by the European Union

Finance for small and medium businesses
Loans • Grants • Equity • Advisory

Made in the Western Balkans · Supported by the EU was the tagline of the first **Open4Business** event that took place in Skopje on 5 October 2023

Organised by the European Commission, in cooperation with the Economic Chamber of North Macedonia and Western Balkans 6 Chamber Investment Forum, the event was dedicated to helping micro, small, and medium-sized businesses learn more about the support offered to them through the Western Balkans Investment Framework (WBIF).

EIP Policy priorities

In line with the EIP, the key EU policy priorities for the private sector development in the Western Balkans include:

- Green transition
- Sustainable agriculture
- Digital transition and innovation
- Trade and value chain integration
- Financial inclusion
- Financing and financial diversification
- Crowding-in private capital
- Multi-thematic



How we work?

European Commission

- Defines priorities
- Approves programmes
- Provides funding

International financial institutions

- Design programmes
- Blend funding (grants/loans)
- Channel funding to PFIs

Partner financial institutions

- Provide financing to MSMEs
- Provide advisory services

Micro- small- and medium enterprises

- Benefit from support

Easier access to finance

An interactive map showing all active WBIF programmes for the private sector and the financial intermediaries that deliver them on wbif.eu/sectors/private-sector-2024



Communication and Visibility Highlights 2023



Social Media Campaign

> 50

original posts promoted

- LinkedIn
- X
- Facebook
- Instagram
- YouTube



Videos

11

produced



Feature Stories

3



Publications

18

produced and updated



WBIF Partners Channels

- EU Delegations
- EIB blog
- EBRD Articles
- Webalkans.eu

WBIF website

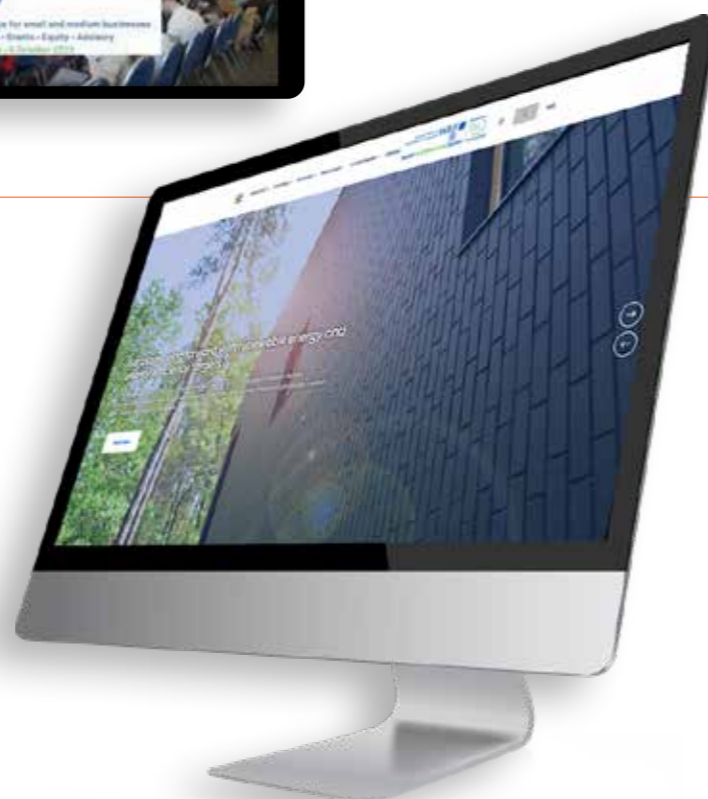
29,430

visitors

Newsflashes

45

published and distributed



Event highlights

October 2023
Open4Business:
B2B event, Skopje,
North Macedonia

March 2023
EU invests €70 million
in largest wastewater treatment
plant in North Macedonia

January 2023
EU supports the final section
of the Trans-Balkan Electricity
Corridor in Serbia



Regional Overview for the Western Balkans

Against the backdrop of improving economic activity, resilient labour markets and declining inflation, the overall outlook for banks in the Western Balkans is positive, supported by a recovery in credit demand despite an expected moderate tightening of supply. The large supply-demand gap seen in 2023 is starting to decline. More banks plan to expand selectively in the region.

International banking group strategies: Most parent banks present in Western Balkan countries have maintained their level of exposure over the past six months. When asked about their **long-term strategies**, 58% of cross-border banking groups signalled they intend to selectively expand.

Market potential is assessed as stronger than in the previous survey round: it is considered high or medium in all countries by all players, except for Bosnia-Herzegovina, where more parent banks assessed the market potential as low. Banks say **profitability** in the region improved compared to overall group operations.

When looking at the local market, both **credit demand** (from banks' clients) and **credit supply** (from banks) has shown clear improvements during the last six months. For the next six months, credit demand is expected to moderate but remain positive, while a moderate tightening of credit supply is projected.

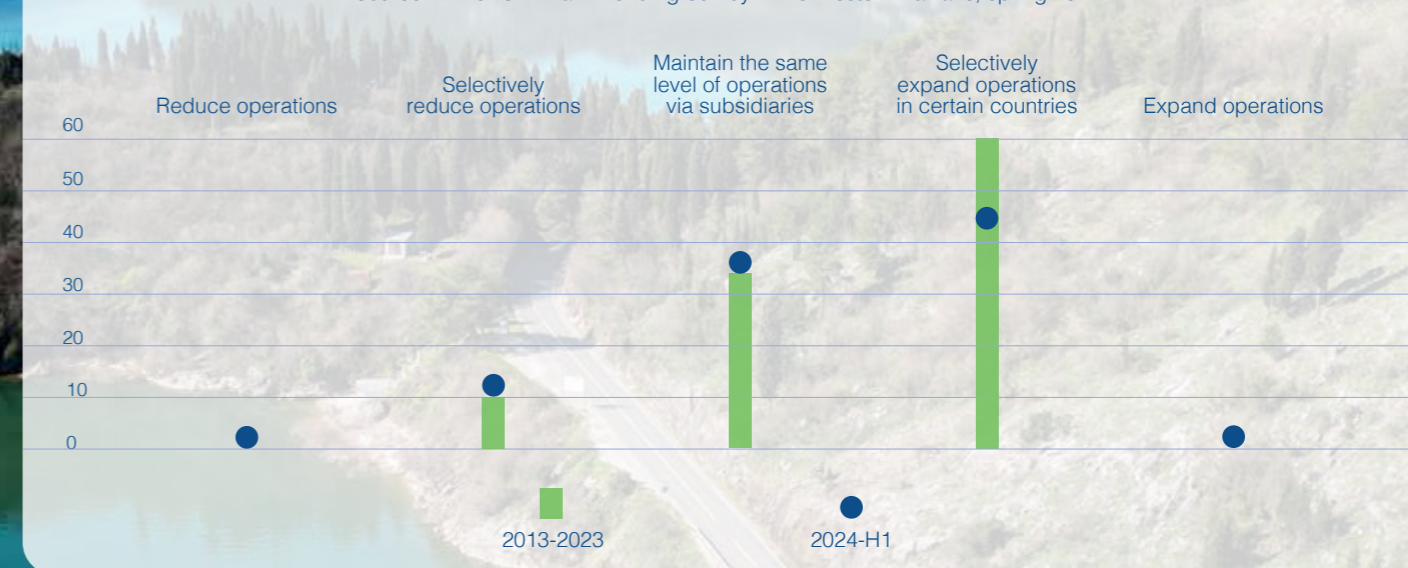
Source: EIB CESEE Bank Lending Survey The Western Balkans

June 2024



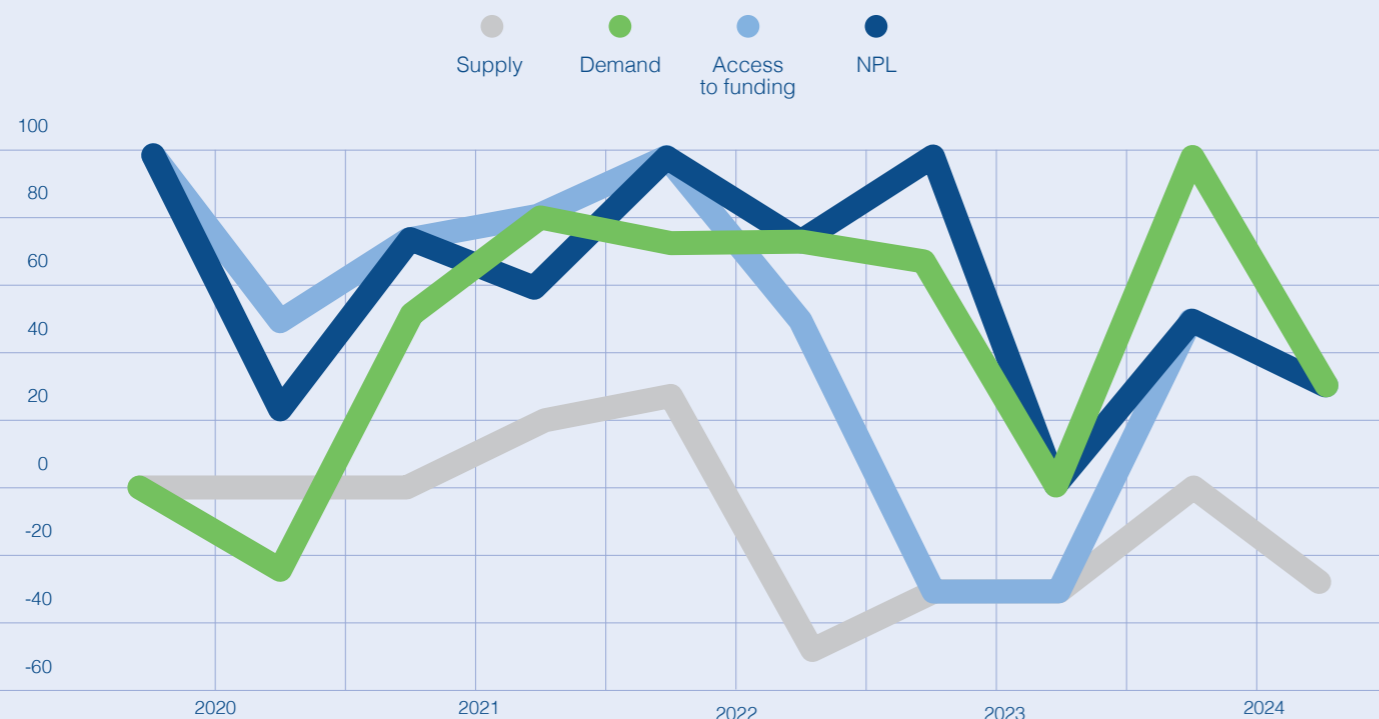
Group-level long-term strategies in the Western Balkans

Source: EIB CESEE Bank Lending Survey – The Western Balkans, spring 2024



Banking outlook for the Western Balkans

Source: EIB CESEE Bank Lending Survey – The Western Balkans, spring 2024



Credit supply tightened materially in early 2022 and has remained tight, when the war in Ukraine, surging inflation and rising interest rates negatively impacted banks' willingness to lend. Relatively tighter supply conditions are expected to continue for the household segment and large companies, while a neutral stance is projected for MSMEs. Regarding **credit demand**, banks expect stronger lending growth on the corporate side.

The positive **access to funding** trend for subsidiaries in the region is expected to remain in place, driven especially by retail and corporate deposits.

The anticipated deterioration of **credit quality** did not materialise over the past six months, and banks now expect a positive outlook, with lower non-performing loans in the next six months.

Route 4: Bar - Vrbnica Railway Line, Montenegro

Sector Overview



Sustainable transport



Investment priorities

Economic and Investment Plan for the Western Balkans 2021-2027

Flagship 1
Connecting East to West

Flagship 2
Connecting North to South

Flagship 3
Connecting the coastal regions

Transport is the most active sector of the WBIF, accounting for 69% of the portfolio in the public sector. To overcome the legacy of fragmented networks, a considerable part of the region's transport network still requires rehabilitation and upgrading. To facilitate regional trade and deliver sustainable economic growth, the implementation of technical standards and connectivity reform measures, as well as the promotion of multimodal transport solutions, have become a priority for the Western Balkans economies.


The Economic and Investment Plan sets out a substantial investment package for sustainable transport infrastructure. The projects supported by the WBIF follow the priorities of the Plan.

Key areas of intervention are (i) rehabilitation and construction of resilient and smart transport infrastructure, especially rail; (ii) deployment of digital technologies; (iii) implementation of urban rapid transit systems, green multimodal solutions, and investments that facilitate cross-border mobility.


Achieved results 2009-2023


 843 km of local and regional roads upgraded


 178 km of motorway built

 2 cross-border bridges with border crossing facilities built

Expected results 2024-2030

 252 km of motorway built

 749 km of railway line rehabilitated

 45 km of waterway and 1 river port upgraded

Trans-European Transport Network



TEN-T addresses the development of a Europe-wide network of railways, roads, waterways, maritime routes, ports and airports. Extending the core network corridors to the Western Balkans ensures closer integration with the EU as well as the basis for leveraging investment in infrastructure.

Fast and efficient transport links with the EU



Sector overview

21
flagship investments endorsed in 2020-2023

€17.1 bn
estimated investment

€2.6 bn
grant value

€5.2 bn
signed loans

€573.8 m
grant in 2023

Flagship 1 Connecting East to West



North Macedonia – Bulgaria Road Interconnection: Kriva Palanka – Deve Bair Section

This investment rehabilitated and expanded to three lanes a 13.2 km-long single two-lane carriage-way road section on the Western Balkans – East Mediterranean Corridor (former Corridor VIII) in North Macedonia, from the town of Kriva Palanka to the Deve Bair border crossing point with Bulgaria.



Estimated investment	€13.7 m
WBIF EU grant	€2.5 m
EBRD loan	€10 m
EBRD grant	€0.2 m
Beneficiary contribution	€1 m
Completion	2023

Clean energy



Investment priorities

Economic and Investment Plan for the Western Balkans 2021-2027

Flagship 4
Renewable energy

Flagship 5
Transition from coal

Flagship 6
Renovation wave

The energy sector in the Western Balkans is characterised by insufficient and aging infrastructure, high reliance on fossil fuels, late adoption of renewables beyond hydropower and residential biomass, limited energy efficiency, high rates of energy intensity, energy poverty despite usually high levels of direct and hidden energy subsidies (mostly targeted towards fossil fuels), limited market mechanisms and private sector participation.

Thus, it faces a unique dual transition: from centralised state-controlled systems to open and competitive markets, and towards decarbonisation. Participation in the Energy Community Treaty provides a clear policy framework and bears the potential for growth through enhanced energy connectivity and by tapping into the region's large renewable energy and energy efficiency potential.

Achieved results 2009-2023



187 MW renewable energy capacity installed



165 km of electricity transmission lines upgraded



964 GWh/year of energy saved

Expected results 2024-2030



1,910 MW renewable energy capacity installed



657 km of electricity transmission lines upgraded



498 GWh/year of energy saved

Energy Support Package for the Western Balkans



The European Commission, in 2022, put forward a €1 billion EU Energy Support Package for the Western Balkans to address immediate and medium-longer term consequences of the energy crisis in the region. Half to be provided as budget support to the beneficiaries, the other half through the WBIF.

Transition to sustainable and clean energy



Sector overview

21

flagship investments endorsed in 2020-2023

€6.8 bn

estimated investment

€645.9 m

grant value

€1.6 bn

signed loans

€133.1 m

grant in 2023

Flagship 4 Renewable energy



Vlašić Wind Power Plant

This investment project will install a 50 MW wind farm on the high plateau of the Vlašić mountain. Aligned with the national strategies for renewable energy development, the plant is expected to produce 112 GWh/year of electricity, equivalent to the energy demand of 20,000 households, and displace 140,000 tonnes of CO₂ annually.



Estimated investment	€91.8 m
WBIF EU grants	€21.8 m
KfW loan (est.)	€16.5 m
EIB loan	€36 m
KfW/EIB grant	€0.8 m
Beneficiary contribution	€16.7 m
Expected completion	2028

Environment & climate



Investment priorities

Economic and Investment Plan for the Western Balkans 2021-2027

Flagship 7
Waste and wastewater management

The Western Balkans faces a common set of environmental challenges. People move to cities and coastal regions resulting in habitat loss and uncontrolled urban sprawl. Air pollution in urban and industrial areas, substandard water and wastewater management, and increasing amounts of solid waste are taking a toll on human health and the environment. At the same time, the region has unique biodiversity, which needs to be conserved.

The Economic and Investment Plan and the embedded Guidelines for the Implementation of the Green Agenda set out that significant investment should be directed towards greening the Western Balkans, by investing in the environment and climate, and mainstreaming it in other sectors.

Key areas of intervention are upgrading basic infrastructure, investments in climate-smart technologies and techniques for solid waste management, water and sanitation, greening the built environment, pollution prevention measures, disaster preparedness and strengthening resilience to extreme climate events, nature-based solutions.

Achieved results 2009-2023



2.4 million people with access to improved drinking water and sanitation



337,200 people benefitting from efficient waste collection and disposal services



Flood forecasting and warning system for 5.4 million people in the Sava River Basin

Green Agenda for the Western Balkans



Expected results 2024-2030



1.6 million people with access to improved drinking water and sanitation



1 million people benefitting from efficient waste collection and disposal services



217,640 m³/day additional wastewater treatment capacity

The Agenda focuses on climate action, including decarbonisation of energy and transport, circular economy, addressing waste, recycling, sustainable production and efficient use of resources, fighting pollution, sustainable agriculture, and protection of nature and biodiversity.

Investing in the environment and climate



Sector overview

6

flagship investments endorsed in 2020-2023

€4 bn

estimated investment

€346 m

grant value

€1.3 bn

signed loans

€4.4 m

grant in 2023

Flagship 7 Waste and wastewater management



Wastewater and Water Supply Systems for Kolašin, Rožaje and Mojkovac



This investment project will upgrade the water supply system in Kolašin, construct two wastewater treatment plants and sewerage networks in Kolašin and Rožaje, and extend and upgrade the sewerage network and wastewater treatment plant in Mojkovac. These interventions will bring sustainable water services to 29,250 residents, improve environmental services, and enhance the region's attractiveness for tourism.

Estimated investment	€34.9 m
WBIF EU grants	€23.6 m
EIB loan	€9.7 m
EU IPA PPF grant	€0.8 m
Beneficiary contribution	€0.8 m
Expected completion	2028

Digital future



Investment priorities

Economic and Investment Plan for the Western Balkans 2021-2027

Flagship 8
Digital infrastructure

Accelerating the region's digital transformation through investments in digital infrastructures and services for businesses and governments is a priority under the Economic and Investment Plan to enable the twin green and digital transition.

Since 2017, the WBIF supports the deployment of ultra-fast and secure broadband with a view to ensuring universal access, with a particular focus on remote areas and lower-income populations, secure, energy-efficient and trustworthy data centres, edge and cloud infrastructures, linking to EU initiatives on high-performance computing and/or the GEANT programme, as well as exploring synergies with other connectivity areas such as energy and transport for infrastructure sharing (e.g. Balkans Digital Highway).

Expected results 2024-2030



368,000 people with access to internet in rural areas in Serbia



615 schools equipped with smart labs for 198,300 students annually in Albania



Infrastructure sharing via the Balkan Digital Highway

Digital Agenda for the Western Balkans



The Digital Agenda paves the way for the digital transition of the region. It focuses on the EU Digital Decade policy objectives of digital skills, secure and sustainable digital infrastructures, business and governments, digital transformation.

Universal access to fast and secure broadband



Sector overview

2

flagship investments endorsed in 2020-2023

€562 m
estimated investment

€53 m
grant value

€122 m
signed loans

Flagship 8 Digital infrastructure



Establishment of Smart Labs - Network of ICT Laboratories for the Pre-university Education System

Preparing children and students for their future careers is one of the main goals of education. Albania is introducing ICT in elementary schools, with hands-on curricula taught in smart labs. This project will implement 654 smart labs in 615 schools throughout the country, increasing the availability of computer labs for students in their pre-university cycles and enhancing computer programming skills.



Estimated investment **€34 m**

WBIF EU grant **€10.5 m**

CEB loan (est.) **€20.1 m**

Beneficiary contribution **€3.4 m**

Expected completion **2028**

Private sector



Investment priorities


Economic and Investment Plan for the Western Balkans 2021-2027


Flagship 9
Investing in the competitiveness of the private sector

A robust, innovative, and competitive private sector is essential for the socio-economic development of the Western Balkans and its regional integration. As in most transition economies, micro, small and medium-sized enterprises (MSMEs) suffer from low competitiveness, difficult access to financing, lack of skills, and poor integration into global supply chains. The emphasis is on improving access to financing and business support for MSMEs through various programmes, including the European Fund for Southeast Europe (EFSE), the Green for Growth Fund (GGF), those that were previously contained under the Western Balkans Enterprise Development and Innovation Facility (WB EDIF)*, as well as programmes endorsed through two calls for proposals for private sector blending operations conducted between 2021 and 2023.


Achieved results 2009-2023


 308,137 MSMEs supported


 888,746 jobs supported and/or sustained

 425,064 t/year avoided CO₂ emissions

Expected results 2024-2030

 14,402 MSMEs supported

 146,200 jobs supported and/or sustained

 100,000 t/year avoided CO₂ emissions

Innovation Agenda



The Agenda on Innovation, Research, Education, Culture, Youth and Sport proposes actions that contribute to the region's economic and societal development through increased cooperation and investments on innovation.

* ENIF, ENEF, GF I, GF II, GF Serbia, GF Youth, and the Western Balkans Regional SME Competitiveness Support Programme

Boosting the private sector competitiveness



Sector overview

6
flagship investments endorsed in 2020-2023

€6.3 bn
estimated investment

€586 m
grant value

€62 m
grant in 2023

Flagship 9 Investing in the competitiveness of the private sector



Go Digital in the Western Balkans

The Go Digital programme will provide a combination of specialised financing and know-how for digitalisation, automation and competitiveness for micro and small businesses (MSMEs) across the Western Balkans. The EU grant financing will be used for investment incentives and capacity building to promote proactive investments in high-performing technologies and mitigate upfront costs. At least 50% of the investments will also be green, in technologies that deliver positive climate impacts and at least 30% will be focused in areas outside of capital cities thus contributing to regional and rural development.



Estimated investment	€177.6 m
WBIF EU grant	€27.6 m
EBRD loan	€150 m

Human capital



Investment priorities

Economic and Investment Plan for the Western Balkans 2021-2027

Flagship 10
Youth guarantee

Social policy development and reform are priorities in the region. Efforts focus on education, healthcare and pension systems, poverty reduction, social inclusion and strengthening social safety nets. Accompanying infrastructure measures include social housing, education, health and judicial facilities.

The Economic and Investment Plan shifts focus from social infrastructures to investments in human capital recognising the importance of education and skills, health and social protection to unleash economic growth.

Key areas of intervention under WBIF are investments in digitalisation and energy-efficient infrastructures in the fields of education and health that are instrumental to achieving the objectives of related strategies and plans.


Achieved results 2009-2023


 Better schools for 96,600 students annually


 2,050 social housing units built

 Healthcare facilities for 1.8 million people

Expected results 2024-2030

 Better schools for 65,700 students annually

 Innovative learning environments for 15,000 higher education students per year

 New building constructed and equipped at University Children's Hospital in Belgrade

European Pillar of Social Rights



The European Pillar of Social Rights supports fair and well-functioning labour markets. It promotes equal opportunities and access to the labour market, fair working conditions, and social protection and inclusion.

Reforming social policies and infrastructure



Sector overview

3
EIP flagship investments endorsed in 2020-2023

€3.1 bn
estimated investment

€123.3 m
grant value

€1.1 bn
signed loans

€21.5 m
grant in 2023



Improvement of Energy Efficiency and Integrated Energy Management at the Campus of Technical Faculties in Belgrade



The University of Belgrade has embarked on a transformative journey. This ambitious project involves creating an energy-efficient campus for the electrical engineering and technical faculties. It will result in a new university centre, retrofitted buildings, and open green spaces. Most importantly, it will enhance safety standards and increase energy efficiency. The new campus will provide students and staff with a conducive environment to study, work and engage in new activities.

Estimated investment	€169.6 m
WBIF EU grants	€22.1 m
CEB loan	€95 m
Beneficiary contribution	€52.5 m
Expected completion	2029

Beneficiary Overview



Albania



WBIF supports Albania in achieving key objectives of the Economic and Investment Plan. In 2020-2023, the WBIF endorsed 8 flagship investments to build the first hybrid floating solar and hydropower plant in the region at Vau i Dejës and a solar power plant in Belshi, upgrade the Fierza hydropower plant, rehabilitate the Vorë – Hani i Hotit and Durrës – Rogozhinë railway sections, construct a much-needed road bypass and introduce clean urban transport in Tirana, and equip schools with ICT laboratories throughout the country.

Furthermore, technical assistance was allocated in 2023 to prepare feasibility studies and impact assessments for a new 400 kV power interconnection with Greece, an offshore wind power plant, strategy and investment planning for integrated sanitation.

Flagship investments 2020-2023



Flagship 1 Connecting East to West

- Durrës – Rogozhinë railway section



Flagship 3 Connecting the coastal regions

- Blue Highway: Tirana bypass
- Vorë - Hani i Hotit railway section



Flagship 4 Renewable energy

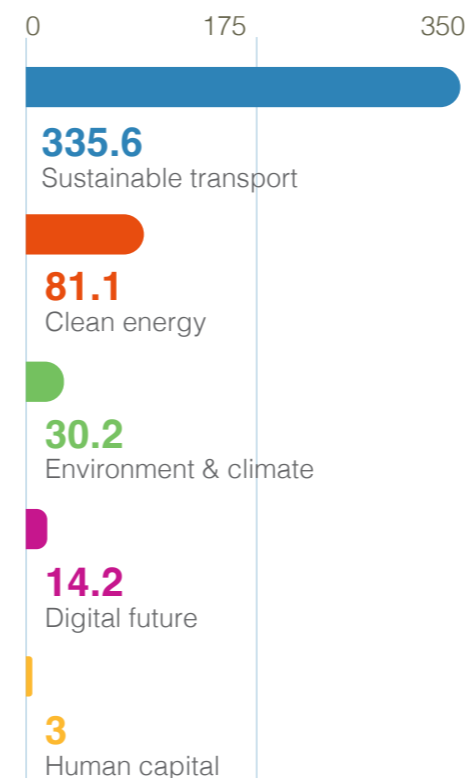
- Rehabilitation of Fierza hydropower plant
- Vau i Dejës floating solar photovoltaic power plant
- Belshi solar photovoltaic power plant
- Green transport Tirana



Flagship 8 Digital infrastructure

- Establishment of smart labs – Network of ICT laboratories for the pre-university education system

WBIF grants by sector / €m



Achieved results 2009-2023



843 km of local and regional roads upgraded



280,000 people with access to improved drinking water and sanitation



Better schools for 18,500 students annually

Expected results 2024-2030



196 km of railway line rehabilitated



563 MW renewable energy capacity installed



130 km of electricity transmission lines upgraded to 400 kV



615 schools equipped with smart labs for 198,300 students annually

Public sector

€464.1 m
WBIF grant

€4.5 bn
estimated investment

€529 m
regional guarantee coverage to support infrastructure projects

Private sector

€370 m
estimated financing for MSMEs

€408 m
regional guarantee coverage to support access to finance for MSMEs

735
MSMEs supported

Energy support package



€80 m
in budget support to Albania

Success story



Flagship 4 Renewable energy



Belshi solar photovoltaic power plant

Albania has set clear targets for increasing its non-hydro renewable energy generation capacity. This project will install a 50 MW solar photovoltaic power plant in the Belshi area. The plant is expected to produce 79 GWh/ year of electricity, equivalent to the energy demand of 16,100 households, and displace over 50,000 tonnes of CO₂ annually. Beyond enhancing energy security and reducing electricity imports, the project accelerates the country's transition to a low-carbon economy and fosters sustainable development.



Estimated investment	€41.8 m
WBIF EU grant	€9.6 m
EBRD loan (est.)	€30 m
Beneficiary contribution	€2.2 m
Expected completion	2027

Bosnia and Herzegovina



WBIF supports Bosnia and Herzegovina in achieving key objectives of the Economic and Investment Plan. In 2020-2023, the WBIF endorsed 12 flagship investments to construct 98 km of motorway on Corridor Vc, rehabilitate 98 km of railway line on the same corridor, remove unexploded ordinances from the right bank of the Sava River, refurbish the Čapljina hydropower plant, install two wind farms, and improve the water supply network in the Sarajevo Canton.

Furthermore, technical assistance was allocated in 2023 to prepare the feasibility study and impact assessment for implementing sustainable waste management in Central Bosnia.

Flagship investments 2020-2023



Flagship 1 Connecting East to West

- Rhine/Danube Corridor: Demining the right bank of the Sava river

Flagship 2 Connecting North to South

- Corridor Vc: Medakovo – Ozimice motorway subsection
- Corridor Vc: Ozimice – Poprikuše motorway subsection
- Corridor Vc: Mostar North – Mostar South motorway section
- Corridor Vc: Mostar South – Kvanj tunnel motorway section
- Corridor Vc: Kvanj tunnel – Buna motorway section
- Corridor Vc: Johovac – Vukosavlje motorway section
- Corridor Vc: Šamac – Doboj – Rječica railway section



Flagship 4 Renewable energy

- Rehabilitation of Čapljina pump storage hydropower plant
- Poklečani wind farm
- Vlašić wind power plant



Flagship 7 Waste & wastewater management

- Sarajevo water project

Public sector

€1.1 bn
WBIF grant

€6.7 bn
estimated investment

€529 m
regional guarantee coverage to support infrastructure projects

Private sector

€1.1 bn
estimated financing for MSMEs

€408 m
regional guarantee coverage to support access to finance for MSMEs

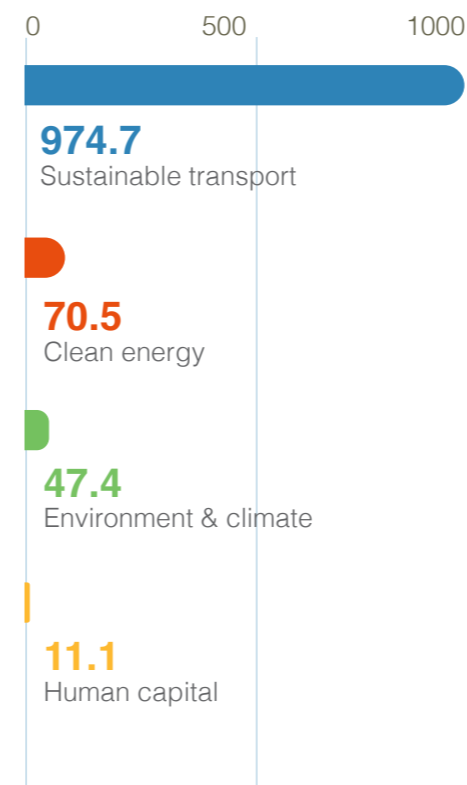
176,487
MSMEs supported

Energy support package



€70 m
in budget support to Bosnia and Herzegovina

WBIF grants by sector / €m



Achieved results 2009-2023



67 km of motorway and 2 cross-border bridges built



940,000 people with improved access to drinking water and sanitation



150,000 people benefitting from efficient waste collection and disposal services



Flood forecasting and warning system for 3.4 million people in the Sava River Basin

Expected results 2024-2030



128 km of motorway built



40 km of waterway and 1 river port upgraded



402 MW renewable energy capacity installed



400,600 people with improved access to drinking water

Success story



Flagship 7 Waste & wastewater management



Sarajevo water project

The Sarajevo Canton is tackling its outdated supply system, which is affected by a staggering 70% water loss. This large-scale project seeks to reduce leakages and improve the quality of services by replacing ageing pipes, pumping stations and wells, installing new metering and control equipment, and connecting about 4,000 new households to the network. These interventions will reduce water losses and eliminate cuts in water supply, which should assist in reducing operating costs and improving the system's overall efficiency.



Estimated investment	€33.1 m
WBIF Bilateral Donor grant	€2.6 m
EU grants	€4.5 m
EBRD loan	€25 m
Other donors	€0.5 m
Beneficiary contribution	€0.5 m
Expected completion	2026

Kosovo



WBIF supports Kosovo in achieving key objectives of the Economic and Investment Plan. In 2020-2022, the WBIF endorsed 3 flagship investments to introduce solar district heating in Pristina, install a new 100 MW solar photovoltaic power plant, and construct 27 km of motorway from Pristina to the administrative border with Serbia.

Flagship investments 2020-2022



Flagship 1 Connecting East to West

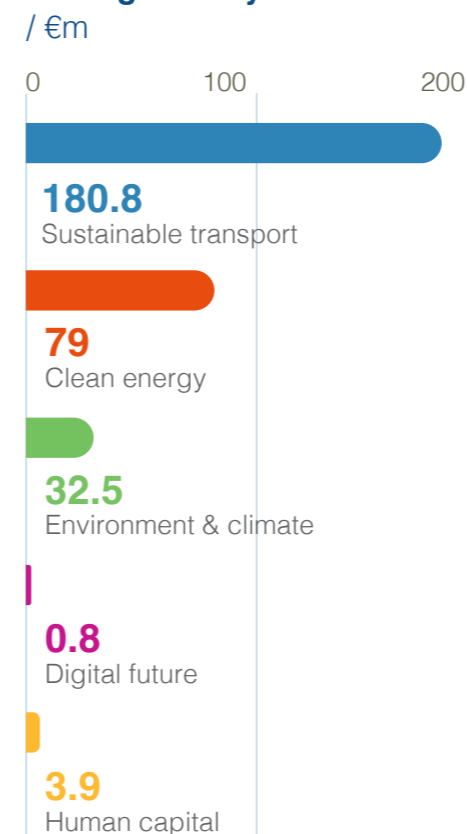
- Peace Highway: Pristina – Merdare Section



Flagship 4 Renewable energy

- Solar4Kosovo: Photovoltaic Plant
- Solar4Kosovo II: Solar District Heating for Pristina

WBIF grants by sector / €m



Achieved results 2009-2023

- 19 MW renewable energy capacity installed
- District heating system rehabilitated in Pristina for 13,500 customers
- 169 public buildings renovated for energy efficiency
- Safe drinking water for 550,000 people

Expected results 2023-2030

- 27 km of motorway built
- 101 km of railway line rehabilitated
- 130 MW renewable energy capacity installed
- 200,000 people with access to improved sanitation services

Public sector

€297 m
WBIF grant

€2 bn
estimated investment

€529 m
regional guarantee coverage to support infrastructure projects

Private sector

€604 m
estimated financing for MSMEs

€408 m
regional guarantee coverage to support access to finance for MSMEs

36,763
MSMEs supported

Energy support package



€75 m
in budget support to Kosovo

Success story



Flagship 4 Renewable energy



Solar4Kosovo – Photovoltaic power plant

The electricity sector in Kosovo is almost entirely dependent on coal-fired power plants. This investment project will install a 100 MW solar photovoltaic plant on former ash dump fields near Pristina. This will be the first large-scale solar photovoltaic plant in Kosovo and will increase installed capacities tenfold from 10.1 MW to 110.1 MW. The plant is expected to produce around 152 GWh of electricity and save 152,000 tonnes of CO₂ annually.

KfW

Estimated investment	€104.8 m
WBIF EU grant	€32.8 m
KfW loan	€29 m
EIB loan	€33 m
Beneficiary contribution	€10 m
Expected completion	2027

Montenegro



WBIF supports Montenegro in achieving key objectives of the Economic and Investment Plan. In 2020-2023, WBIF endorsed 5 flagship investments to improve water supply and sanitation in Podgorica, Kolašin, Rožaje and Mojkovac, rehabilitate the Bar – Vrbnica railway line to create a multimodal maritime-rail transport route from the port of Bar to the broader region, and retrofit, build and equip schools and kindergartens in Podgorica and nine municipalities.

Furthermore, technical assistance was allocated in 2023 to prepare technical documentation for a new 400 kV power interconnection with Bosnia and Herzegovina, rehabilitate the Sozina tunnel on the Bar – Vrbnica railway line, and upgrade the rail interconnection with Albania.

Flagship investments 2020-2023



Flagship 2 Connecting North to South

- Rehabilitation of Bar – Vrbnica railway line
- Bar – Vrbnica railway line: Bar – Golubovci section



Human capital

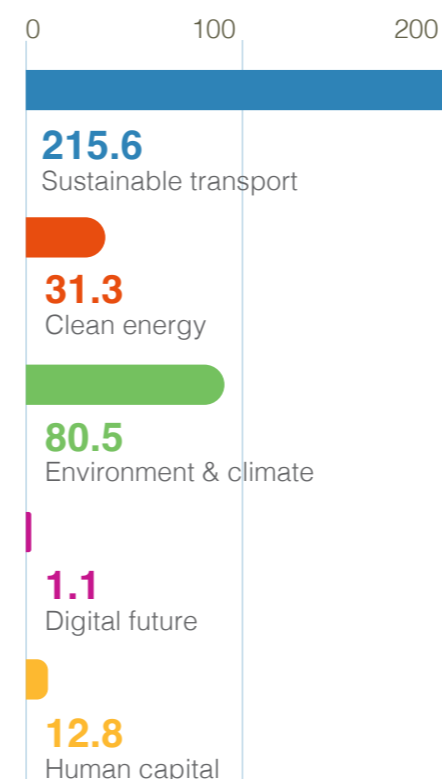
- Education infrastructure improvement



Flagship 7 Waste & wastewater management

- Podgorica wastewater treatment plant
- Wastewater and water supply system improvement in Kolašin, Rožaje and Mojkovac

WBIF grants by sector / €m



Achieved results 2009-2023

- 35 km of 400 kV transmission lines installed
- 70,000 people with access to improved drinking water and sanitation
- 186,000 people benefitting from efficient waste collection and disposal services
- Flood forecasting and warning system for 192,000 people in the Sava River Basin

Expected results 2024-2030

- 74 km of railway line rehabilitated
- 200 km of electricity transmission lines upgraded to 400 kV
- 292,200 people with access to improved drinking water and sanitation
- Better schools for 9,500 students annually

Public sector

€341.3 m
WBIF grant

€2.3 bn
estimated investment

€529 m
regional guarantee coverage to support infrastructure projects

Private sector

€345 m
estimated financing for MSMEs

€408 m
regional guarantee coverage to support access to finance for MSMEs

10,681
MSMEs supported

Energy support package



€30 m
in budget support to Montenegro

Success story



Flagship 2 Connecting North to South



Bar – Vrbnica railway line: Bar – Golubovci section

This investment project will upgrade the section between Bar and Golubovci of the Bar – Vrbnica railway line, the backbone of the country's railway network and part of the Western Balkans – East Mediterranean Corridor. It will bring 39.6 km of the railway line to TEN-T standards, including electrification, signalling and telecommunication systems. This is the second EIP endorsement for this railway line to fast-track the country's interconnectivity with the regional and EU railway networks.



Estimated investment	€227.5 m
WBIF EU grants	€121.4 m
EIB loan (est.)	€52.9 m
EBRD loan (est.)	€52.9 m
Beneficiary contribution	€0.3 m
Expected completion	2029

North Macedonia



WBIF supports North Macedonia in achieving key objectives of the Economic and Investment Plan. In 2020-2023, the WBIF endorsed 10 flagship investments to install solar power plants, rehabilitate large hydropower plants, strengthen the transmission network to facilitate the development of renewable energy sources, retrofit healthcare facilities to reduce electricity consumption in the public sector, build a wastewater treatment plant for Skopje, implement regional waste management systems, and construct rail and road interconnections with the EU.

Flagship investments 2020-2023



Flagship 1 Connecting North to South

- North Macedonia – Bulgaria rail interconnection: Kriva Palanka - border with Bulgaria section
- North Macedonia – Bulgaria road interconnection: Cut-slope stabilisation on Kriva Palanka – Stracin expressway section



Flagship 4 Renewable energy

- Oslomej 1 solar photovoltaic power plant
- Oslomej 2 and Bitola solar photovoltaic power plants
- Bogdanci wind park phase 2
- Rehabilitation of Six Hydropower Plants Phase 3

Flagship 5

Transition from coal

- Strengthening transmission network in the Southeast region

Flagship 6

Renovation wave

- Public sector energy efficiency project: energy efficiency in healthcare buildings

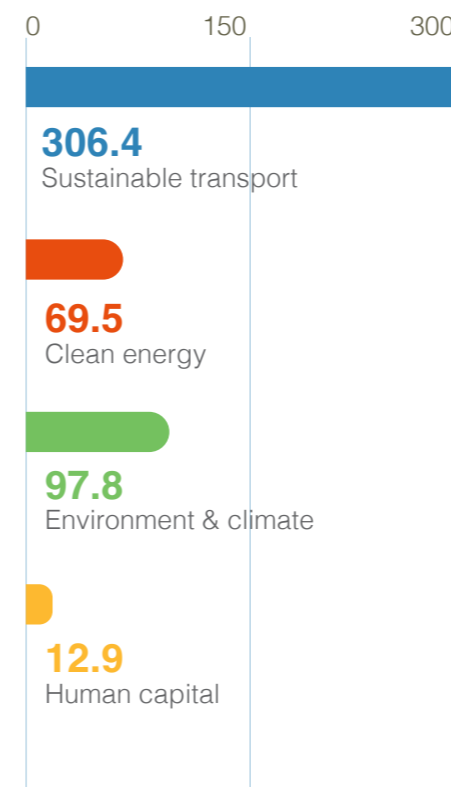


Flagship 7 Waste & wastewater management

- Skopje wastewater treatment plant
- Regional waste management system for Polog, Pelagonija and Southwest regions

WBIF grants by sector

/ €m



Achieved results 2009-2023

2009-2023



13 km of road upgraded



46.8 MW renewable energy capacity installed



70 km of transmission lines upgraded to 400 kV



Better schools for 78,100 students annually

Expected results 2024-2030

2024-2030



88 km of railway line rehabilitated



488 MW renewable energy capacity installed



134 km of transmission lines upgraded to 400 kV



1 million people benefitting from efficient waste collection and disposal services

Public sector

€486.6 m

WBIF grant

€3.4 bn

estimated investment

€529 m

regional guarantee coverage to support infrastructure projects

Private sector

€404 m

estimated financing for MSMEs

€408 m

regional guarantee coverage to support access to finance for MSMEs

9,636

MSMEs supported

Energy support package



€80 m

in budget support to North Macedonia

Success story



Flagship 1 Connecting East to West



Cut-slope stabilisation on Kriva Palanka – Stracin express road section

This investment builds a 23 km-long express road from Kriva Palanka to Stracin, the last missing section of the interconnection with Bulgaria and part of the Western Balkans – East Mediterranean Corridor. The new road will significantly decrease travel time between Skopje and Sofia, strengthen mobility and trade, improve road safety, and create opportunities for socio-economic development in the country and the region.



Estimated investment	€36.7 m
WBIF EU grant	€14 m
WB loan	€20.2 m
Beneficiary contribution	€2.5 m
Expected completion	2024

Serbia



WBIF supports Serbia in achieving key objectives of the Economic and Investment Plan. In 2020-2023, the WBIF endorsed 13 flagship investments to upgrade to high-speed the Belgrade – Niš railway line and construct a rail bypass in Niš, eliminate a 5 km-long nautical bottleneck from the Danube, install a 66 MW wind farm, rehabilitate large hydropower plants, upgrade to 400 kV the last section of the Trans-Balkan Electricity Corridor in Serbia, deploy smart metering in electricity distribution systems, upgrade the sewerage system and build a wastewater treatment plant for the Palilula municipality, new higher education and health facilities.

Furthermore, technical assistance was allocated in 2023 to develop the Central Balkan Electricity Corridor.

Flagship investments 2020-2023

- | | |
|---|--|
| <p>Flagship 1
Connecting East to West</p> <ul style="list-style-type: none"> Corridor X: Paraćin – Međurovo, Stalać – Đunis, Niš bypass railway sections Rhine-Danube Corridor: Removal of sunken WWII German vessels from the Danube, Prahovo sector | <p>Flagship 7
Waste & wastewater management</p> <ul style="list-style-type: none"> Sewerage system for Palilula, Belgrade |
| <p>Flagship 4
Renewable energy</p> <ul style="list-style-type: none"> Kostolac wind farm Reconstruction of Vlasina hydropower plants Rehabilitation of Bistrica hydropower plant | <p>Flagship 8
Digital infrastructure</p> <ul style="list-style-type: none"> Rural broadband rollout phase 2 |
| <p>Flagship 5
Transition from coal</p> <ul style="list-style-type: none"> Trans-Balkan Corridor: Serbia – Montenegro – Bosnia and Herzegovina 400 kV interconnection Advanced system for remote meter reading | <p>Human capital</p> <ul style="list-style-type: none"> University Children's Hospital Tiršova 2 in Belgrade Improvement of energy efficiency and integrated energy management at the campus of technical faculties in Belgrade |

Private sector

€2.5 bn
estimated financing for MSMEs

73,835
MSMEs supported

€408 m
regional guarantee coverage to support access to finance for MSMEs

Public sector

€752 m
WBIF grant

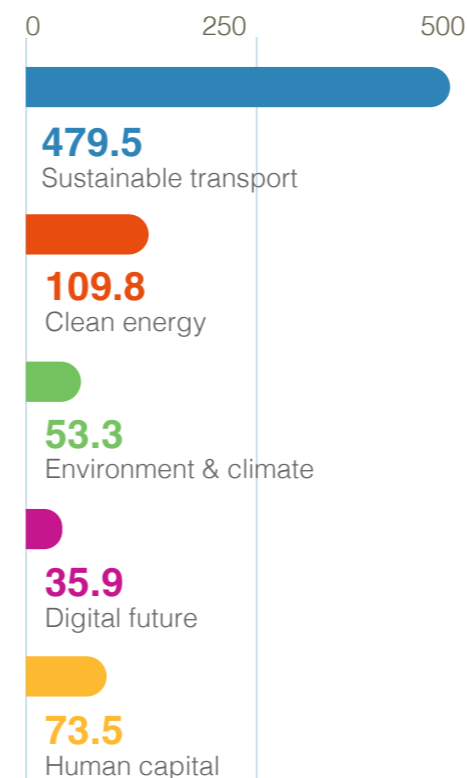
€9.5 bn
estimated investment

€529 m
regional guarantee coverage to support infrastructure projects

Energy support package

€165 m
in budget support to Serbia

WBIF grants by sector / €m



Achieved results 2009-2023

- 98 km** of motorway built
- 60 km** of transmission lines upgraded to 400 kV
- 108 km** of gas interconnection built
- 585,000** people with access to improved drinking water and sanitation

Expected results 2024-2030

- 192 km** of railway line rehabilitated
- 307 MW** renewable energy capacity installed
- 193 km** of transmission lines upgraded to 400 kV
- 368,000** people with access to internet in rural areas

Success story

Flagship 4
Renewable energy



Rehabilitation of Bistrica hydropower plant

This investment project will rehabilitate the Bistrica hydropower plant, boosting its annual power production to 350 GWh and reducing operational costs. The upgraded hydropower plant will also function as a dispatchable power source, backing up and enabling the integration of solar and wind power into the country's electricity grid.



Estimated investment	€40.9 m
WBIF EU grant	€7.7 m
EIB loan (est.)	€32.8 m
Beneficiary contribution	€0.4 m
Expected completion	2028

Glossary

AFD	Agence Française de Développement
B2B	Business to Business
CEB	Council of Europe Development Bank
CESEE	Central, Eastern and South-Eastern Europe
DG NEAR	Directorate-General for Neighbourhood and Enlargement Negotiations
EBRD	European Bank for Reconstruction and Development
EFSD+	European Fund for Sustainable Development Plus
EFSE	European Fund for Southeast Europe
EIB	European Investment Bank
EIF	European Investment Fund
EIP	Economic and Investment Plan for the Western Balkans 2021-2027
ENEF	Enterprise Expansion Fund
ENIF	Enterprise Innovation Fund
EU	European Union
EWBJF	European Western Balkans Joint Fund

GEANT	Gigabyte European Academic Network
GGF	Green for Growth Fund
ICT	Information and Communication Technology
IFC	International Finance Corporation
IFI	International Financial Institution
IPA	Instrument for Pre-Accession Assistance
KfW	KfW Development Bank
MSME	Micro, Small and Medium-sized Enterprise
PfIs	Partner Financial Institutions
PPF	Project Preparation Facility
REEP	Regional Energy Efficiency Programme for the Western Balkans
TA	Technical Assistance
TEN-T	Trans European Transport Network
WB	Western Balkans
WB EDIF	Western Balkans Enterprise Development and Innovation Facility
WBIF	Western Balkans Investment Framework

Albania – North Macedonia power interconnection

Partner financial organisations



Donors



Economic and Investment Plan
for the Western Balkans 2021-2027

WBIF
From Plan
to Action **2023**
Key
Achievements



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