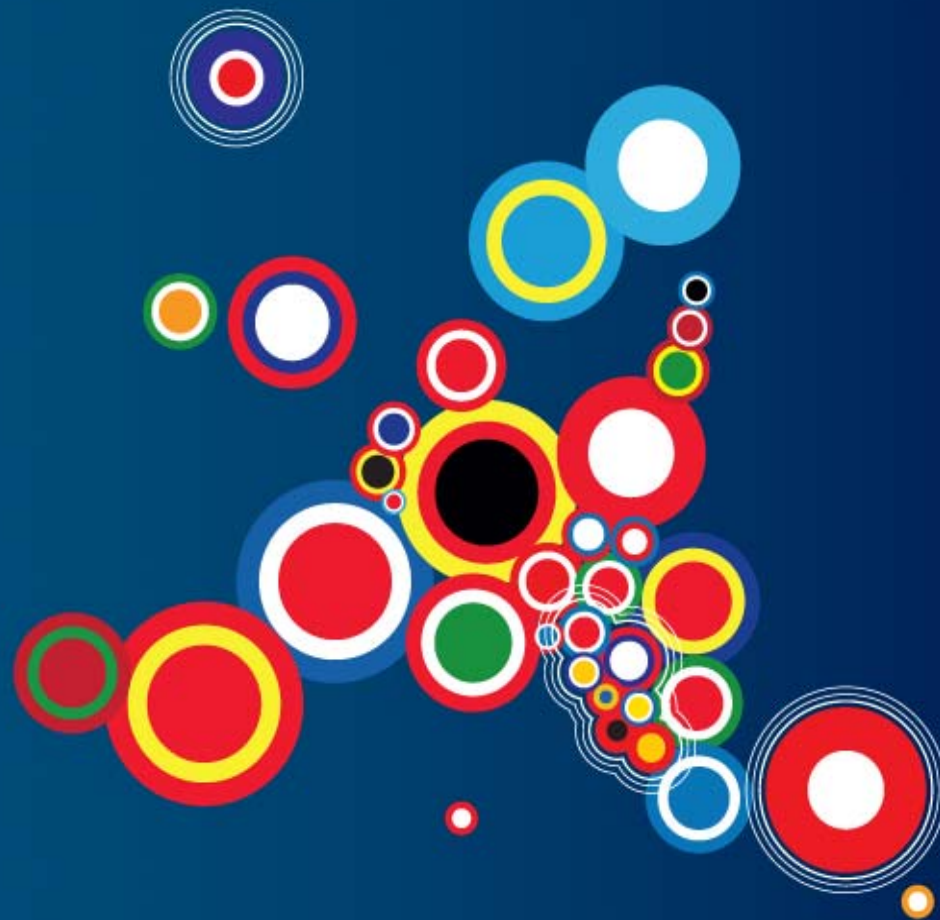


# Western Balkans Investment Framework (WBIF)

## Ninth Steering Committee Meeting



EU Enlargement - WBIF



EBRD Headquarters, London

4 December 2013

# Welcome Address and Introductory Remarks

Andras Simor, Vice President, EBRD

Natalia Karageorgou,  
Head of EU External Relations Directorate  
Ministry of Foreign Affairs, Greece

Mr Gerhard Schumann-Hitzler,  
Director, European Commission



## Morning

- I. SEE 2020 Strategy
- II. Key trends in the Economic Environment
- III. Evolution of the WBIF – Report from the Task Force on the Evolution of the WBIF

## Afternoon

- IV. Grant Requests for Investment Projects & Sectoral Studies submitted for approval under Round 10
- V. 11th Call for Proposals under WBIF
- VI. WBIF Work Programme 2013-2014
- VII. Update on EDIF and REEP
- VIII. Chairmanship of the WBIF SC for 2014
- IX. Conclusions and Recommendations

*Evening event hosted by EBRD*



# I. KEY POLICY DEVELOPMENTS IN THE WESTERN BALKAN - SEE 2020 STRATEGY

*Goran Svilanović, Secretary General  
Regional Cooperation Council (RCC)*



## II. KEY TRENDS IN THE ECONOMIC ENVIRONMENT

*Peter Sanfey, Office of the Chief Economist*  
*EBRD*



# PRESENTATION OF THE INTERIM REPORT FROM THE TASK FORCE ON THE EVOLUTION OF WBIF

*Olav Reinertsen, Head of the WBIF Secretariat  
DG Enlargement*



# Task Force on the Evolution of WBIF

- Launched at the WBIF Steering Committee meeting in Athens in June
- Objective is to ensure that WBIF evolves to meet the challenges of its dynamic operating environment:
  - Difficult socio-economic climate
  - Changes to provision of EC assistance under IPA II
  - Outcome of deliberations under EUBEC and implementation of new Financial Regulations
- 2-phase approach



# WBIF Task Force – Phase I

- Detailed Review of the WBIF Pipeline
- Review current WBIF structures and procedures
- Preliminary overview of potential for PPPs in the Western Balkans





# WBIF Task Force – Next Steps

- Further work on the detailed review of the pipeline
- Identification of key changes required to WBIF founding documents, structures and procedures and recommendations on how best to address these (incl. IPA II/EUBEC)
- Consultations with stakeholders and experts on potential to increase private sector involvement via different types of PPPs & how WBIF can facilitate this
- Final report to SC meeting in June 2014



# UPDATE ON DETAILED REVIEW OF THE WBIF PIPELINE

*Jeremy Lazenby, Team Leader*

*IPF 1*



# PRELIMINARY OVERVIEW OF THE POTENTIAL TO INCREASE THE USE OF PPPs UNDER THE WBIF

*Mary O'Mahony, Head of Office  
IFI Coordination Office*



# WBIF STRUCTURES AND PROCEDURES

*Olav Reinertsen, Head of the WBIF Secretariat*  
*DG Enlargement*

# IV. GRANT REQUESTS FOR INVESTMENT PROJECTS SUBMITTED FOR APPROVAL UNDER ROUND 10

Representatives of the Beneficiary countries, Regional  
Sectoral Organisations and the IFIs

*Morten Jung, DG Enlargement*

*George Holroyd, EBRD*

*Co-Chairs of the Project Financiers' Group*



# ENERGY



# Rehabilitation for district heating in Gjakova

<b>Country</b>	<b>Kosovo *</b>
<b>Sector</b>	<b><u>Energy</u></b>
<b>Project Code</b>	<b>WB10-KOS-ENE-01</b>
<b>Services Requested</b>	<b>FS, ESIA, TD</b>
<b>Lead IFI</b>	<b>KfW</b>
<b>PGAF Submitted By</b>	<b>Kosovo NIPAC</b>
<b>Grant for approval</b>	<b>€600,000 for TA</b>
<b>Source of funds</b>	<b>IPA - IPF</b>
<b>Total Investment</b>	<b>€600,000</b>
<b>Total Loan</b>	<b>€-</b>



# Gas development masterplan

<b>Country</b>	<b>Montenegro</b>
<b>Sector</b>	<b><u>Energy</u></b>
<b>Project Code</b>	<b>WB10-MNE-ENE-01</b>
<b>Services Requested</b>	<b>I</b>
<b>Lead IFI</b>	<b>EBRD</b>
<b>PGAF Submitted By</b>	<b>Montenegro NIPAC</b>
<b>Grant for approval</b>	<b>€ 550,000</b>
<b>Source of funds</b>	<b>IPA - IPF</b>
<b>Total Investment</b>	<b>€ 550,000</b>
<b>Total Loan</b>	<b>€-</b>





# Biomass fired cogeneration plant in Subotica

<b>Country</b>	<b>Serbia</b>
<b>Sector</b>	<b><u>Energy</u></b>
<b>Project Code</b>	<b>WB10-SER-ENE-01</b>
<b>Services Requested</b>	<b>PD, ATP, SofW</b>
<b>Lead IFI</b>	<b>KfW</b>
<b>PGAF Submitted By</b>	<b>Serbia NIPAC</b>
<b>Grant for approval</b>	<b>€600,000 for TA</b>
<b>Source of funds</b>	<b>EWBJF</b>
<b>Total Investment</b>	<b>€24,800,000</b>
<b>Total Loan</b>	<b>€20,000,000</b>



# ENVIRONMENT



# Water supply in rural areas

<b>Country</b>	<b>Albania</b>
<b>Sector</b>	<b><u>Environment</u></b>
<b>Project Code</b>	<b>WB10-ALB-ENV-01</b>
<b>Services Requested</b>	<b>FS, DD, ATP, SofW</b>
<b>Lead IFI</b>	<b>KfW</b>
<b>PGAF Submitted By</b>	<b>Albania NIPAC</b>
<b>Grant for approval</b>	<b>€ 750,000 TA</b>
<b>Source of funds</b>	<b>EWBJF</b>
<b>Total Investment</b>	<b>€42,800,000</b>
<b>Total Loan</b>	<b>€24,000,000</b>



# Water and sewerage programme

<b>Country</b>	<b>Former Yugoslav Republic of Macedonia</b>
<b>Sector</b>	<b><u>Environment</u></b>
<b>Project Code</b>	<b>WB10-MKD-ENV-01</b>
<b>Services Requested</b>	<b>DD, ATP, SofW</b>
<b>Lead IFI</b>	<b>KfW</b>
<b>PGAF Submitted By</b>	<b>MKD NIPAC</b>
<b>Grant for approval</b>	<b>€ 400,000 for TA</b>
<b>Source of funds</b>	<b>IPA - IPF</b>
<b>Total Investment</b>	<b>€13,099,143</b>
<b>Total Loan</b>	<b>€ 8,635,000</b>



# TRANSPORT



# Bar-Vrbnica railway line upgrade

<b>Country</b>	<b>Montenegro</b>
<b>Sector</b>	<b><u>Transport</u></b>
<b>Project Code</b>	<b>WB10-MNE-TRA-01</b>
<b>Services Requested</b>	<b>FS, ESIA, DD, TMA</b>
<b>Lead IFI</b>	<b>EIB</b>
<b>PGAF Submitted By</b>	<b>Montenegro NIPAC</b>
<b>Grant for approval</b>	<b>€ 1,000,000 for TA</b>
<b>Source of funds</b>	<b>IPA - IPF</b>
<b>Total Investment</b>	<b>€47,300,000</b>
<b>Total Loan</b>	<b>€40,000,000</b>



# Priority bypass on Montenegrin coast

<b>Country</b>	<b>Montenegro</b>
<b>Sector</b>	<b><u>Transport</u></b>
<b>Project Code</b>	<b>WB10-MNE-TRA-02</b>
<b>Services Requested</b>	<b>FS, DD</b>
<b>Lead IFI</b>	<b>KfW</b>
<b>PGAF Submitted By</b>	<b>Montenegro NIPAC</b>
<b>Grant for approval</b>	<b>€500,000 for TA</b>
<b>Source of funds</b>	<b>IPA - IPF</b>
<b>Total Investment</b>	<b>€51,500,000</b>
<b>Total Loan</b>	<b>€50,000,000</b>



# Construction of highway E-80 (Merdare to Doljevac)

<b>Country</b>	<b>Serbia</b>
<b>Sector</b>	<b><u>Transport</u></b>
<b>Project Code</b>	<b>WB10-SER-TRA-02</b>
<b>Services Requested</b>	<b>PFS, I</b>
<b>Lead IFI</b>	<b>EIB</b>
<b>PGAF Submitted By</b>	<b>Serbia NIPAC</b>
<b>Grant for approval</b>	<b>€900,000 for TA</b>
<b>Source of funds</b>	<b>IPA - IPF</b>
<b>Total Investment</b>	<b>€321,100,000</b>
<b>Total Loan</b>	<b>€320,000,000</b>





# SOCIAL



# Post-earthquake housing reconstruction in Kraljevo

<b>Country</b>	<b>Serbia</b>
<b>Sector</b>	<b><u>Social</u></b>
<b>Project Code</b>	<b>WB10-SER-SOC-01</b>
<b>Services Requested</b>	<b>PIU, TMA</b>
<b>Lead IFI</b>	<b>CEB</b>
<b>PGAF Submitted By</b>	<b>Serbia NIPAC</b>
<b>Grant for approval</b>	<b>€880,000 for TA</b>
<b>Source of funds</b>	<b>IPA - IPF</b>
<b>Total Investment</b>	<b>€14,200,000</b>
<b>Total Loan</b>	<b>€8,000,000</b>



# Projects proposed for cancellation

Code	Title	Lead IFI	Outcome of discussion
WB1-SER-TRA-03	Sava Bridge Loan Extension: Performance-Based Maintenance and Management (“PMMR”) of Roads and Bridges	EIB	Cancelled. Initially delayed due to negotiations over ToR institutional problems in the organisation of the project remained unsolved after four years.
WB6-BiH-ENE-08	Hydro-electric power plant - Caplje	EIB	Cancelled. Permit for access for geotechnical investigations not approved by local municipalities.
WB6-REG-ENE-07	Gas Interconnection Brod (BiH) - Slavonski (Croatia) (Licka Jesenica-Rakovica-Trzac-Bosanska Krupa & branches to Bihac & Velika Kladusa)	EBRD	Cancelled. The RS entity has changed its viewpoint on the project and is no longer supporting it.



# V. 11TH CALL FOR PROPOSALS UNDER WBIF

*Gerhard Schumann-Hitzler,  
European Commission*



# VI. WBIF WORK PROGRAMME 2013-2014

*Olav Reinertsen, Head of the WBIF Secretariat  
DG Enlargement*



# WBIF Work Programme 2013 (1/2)

- 2 call for proposals (rounds 9 and 10) & 24 projects approved in 2013- grant value €22.08 million
- Introduction of CC window into WBIF
- 2 PFG meetings, 2 SC meetings, 1 NIPAC workshop
- Policy and strategy seminars (Sarajevo, Skopje and Pristina) and visibility event (Belgrade), EC/IFI workshops on social sector and environment
- Policy/strategy reports : Climate Change window, energy efficiency stocktaking of credit lines & options for financing NEEAPs, macro-economic outlook, discussion paper on evolution of WBIF
- WBIF Task Force, EUBEC



## WBIF Work Programme 2013 (2/2)

- Bilateral donor meeting (Berlin) and bilateral donor mission (Kosovo)
- Briefing meetings for Western Balkan missions to EU and Bilateral Donor reps in Brussels
- 2 monitoring reports, 1 annual report, 1 compendium of projects
- Communications: website update and amendment 4, newsletters



# WBIF Work Programme 2014 (1/4)

## WBIF Grants applications and approvals:

- Call (s) for proposals (subject to resources and outcome of IPA II and WBIF Task Force deliberations);
- Updating of WBIF guidelines in line with recommendations from WBIF Task Force;
- Provision of training seminars to beneficiaries on request;
- Further enhancement of CC window.





# WBIF Work Programme 2014 (2/4)

## Policy and Strategy :

- Phase II of the WBIF Task Force ;
- Implementation of agreed recommendations;
- Regular macro-economic updates;
- Sector related reports/capacity building as appropriate;
- In-country policy and strategy seminars for NIPAC offices and line ministries and EU Delegations;
- On-going cooperation with regional initiatives.



# WBIF Work Programme 2014 (3/4)

## Communications and visibility :

- On-going improvement and update of WBIF website;
- Preparation and dissemination of WBIF related publications;
- In-country workshops/seminars;
- Regular briefing meetings for Western Balkan missions to the EU;
- Regular meetings of bilateral donors (as determined by SC co-chair);
- Updating of compendium of projects;
- Annual report 2014; 2 monitoring reports; 4 newsletters;



# WBIF Work Programme 2014 (4/4)

## Meetings of WBIF Structures – Indicative Schedule

- 2 PFG meetings (May and November);
- 2 SC meeting (June and December);
- WBIF Task Force meeting (April).
- NIPAC Workshop (November)



# WBIF Grant Resources December 2013

Before approval of round 10 grants, WBIF grant resources currently =

EWBJF: €1.844 million

IPF: €5.048 million

Total: €6.892 million

IPF 4 (mid 2014) €15.00 million



# Draft WBIF Annual Report 2013

*Presentation of the draft annual report  
Jeremy Lazenby IPF 1*



## VII. UPDATE ON EDIF AND REEP

*EDIF - Piotr Stolowski, European Investment Fund*

*REEP - Karina Saroukhanian, EBRD*



## VII. UPDATE ON EDIF AND REEP

*EDIF - Piotr Stolowski, European Investment Fund*

*REEP - Karina Saroukhanian, EBRD*



## VIII. CHAIRMANSHIP OF THE WBIF SC FOR 2014

*Natalia Karageorgou,  
Head of EU External Relations Directorate  
Ministry of Foreign Affairs, Greece*





# Conclusions and Recommendations

*Natalia Karageorgou,  
Head of EU External Relations Directorate  
Ministry of Foreign Affairs, Greece*

*Gerhard Schumann-Hitzler,  
European Commission*



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