Kosovo* and the Western Balkans Investment Framework

What is the Western Balkans Investment Framework?

The Western Balkans Investment Framework (WBIF) is a financing facility launched in December 2009 by the European Commission, together with the Council of Europe Development Bank (CEB), the European Bank for Reconstruction and Development (EBRD), the European Investment Bank (EIB), Bilateral Donors and Western Balkans beneficiaries with the purpose to deliver funding for strategic investment projects. The KfW and the World Bank Group subsequently joined the Framework. In December 2018, the Agence Française de Développement (AFD) became a participating organisation in the WBIF.

The WBIF blends grants, loans and beneficiary contributions for infrastructure development in the energy, environment, social, transport and digital sectors as well as for private sector development.

The Western Balkans Investment Framework in Kosovo

The WBIF has supported 27 projects with an estimated value of €1.3 billion in Kosovo. The country has benefited from 41 grants for technical assistance and investment works with an overall value of €148.4 million, out of which €134.3 million from the EU and €14.5 million from other donors. The WBIF financial institutions have extended a further €255 million in loans signed on 11 projects.

The investments comprise key infrastructure projects in several sectors, such as:

- Rail and road transport;
- Energy efficiency and district heating;
- Water and wastewater systems;
- Flood protection, water resources conservation, waste management;
- Education and healthcare;
- Broadband connectivity for schools.

Hani i Elezit station, one of the 13 railway stations and stops and 64 km of track being rehabilitation via the WBIF on the section from Pristina to the border with North Macedonia. This project has benefited from €39.8 million in EU grants via WBIF, including a €38.5 million investment grant under the Connectivity Agenda in 2015, and a further €3.2 million from bilateral donors.

* 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.

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Achieved results (selection):

- 32 public buildings renovated and more than 400 MWh/year in energy savings;
- District heating system rehabilitated in Pristina for 13,500 customers;
- Improved water supply systems for 500,000 people.

Expected results (selection):

- 53 km of new motorways;
- 213 km of railway lines rehabilitated;
- 55 buildings renovated and 900 MWh/year in energy savings;
- District heating systems for 1.2 million people;
- Improved water / wastewater systems for 700,000 people;
- More than 120,000 people protected from floods;
- Healthcare treatment & research facilities for 1.3 million people and new hospice centre;
- More than 136,500 students and teachers in 500 schools connected to high-speed broadband.

Shkabaj Water Treatment Plant. The WBIF funded the feasibility study for water supply for more than 500,000 people in Pristina and adjacent municipalities from a €0.3 million EU. The new water supply system also received a €4.9 million EU grant from IPA National to partially defray the construction costs. The project was completed in 2017, and the system is in operation.

The WBIF has thus been instrumental in effecting key improvements in the everyday lives of the citizens in Kosovo by:

- creating key road and rail transport links with neighbouring countries;
- implementing energy efficiency measures in public buildings throughout the country;
- rehabilitating the district heating system in Pristina;
- ensuring access to efficient water and wastewater services;
- improving flood protection and mitigation measures;
- upgrading education and healthcare facilities.

In addition, Kosovo has benefited from regional projects and multi-country initiatives funded by the WBIF, such as the Regional Energy Efficiency Programmes for the Western Balkans (REEP and REEP Plus) and the Western Balkan Enterprise Development and Innovation Facility (WB EDIF).

Kosovo Education Improvement Project. A €0.5 million grant was provided by the WBIF bilateral donors to assist the ministry in charge address immediate needs in the pre-university education system.