



Investment projects  
selected  
for EU funding  
**2019**



# **EU** Connectivity Agenda for the **Western Balkans**

Neighbourhood  
and  
Enlargement  
Negotiations

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# FOREWORD

Connecting and building core transport and energy infrastructure in the Western Balkans means bringing people and economies closer together within the region and with the EU. Connectivity is a driver for growth and jobs, and helps attract investments. It creates links and opportunities for businesses and citizens, and promote good neighbourly relations.

This is why the European Union has contributed since the 1990s more than EUR 11 billion to transport and energy infrastructure development in the region through grants from the European Commission and loans from the European Investment Bank, resulting in overall investments of almost EUR 22 billion.

The commitment was further strengthened with the introduction of the connectivity agenda in 2015, where we set aside up to EUR 1 billion in grants for transport and energy projects until 2020. I am proud to say that, to date, we have delivered almost 90% of the EUR 1 billion pledged for the period 2015-2020. These grants will generate EUR 4 billion in investment and create more than 45,000 jobs in the process.

The financial contributions and a mutual commitment to well-developed transport and energy networks, as well as digital infrastructure, are bringing tangible results such as significantly reduced travel time, increased transport safety, reduced emissions, improved quality of life and urban environment, increased competitiveness and energy security. Effective reform measures are driving these investments forward,



**Johannes Hahn**

European Commissioner for European Neighbourhood Policy and Enlargement Negotiations

and allowing businesses and communities to benefit from improvements to inter alia road safety, regular maintenance, the introduction of Intelligent Transport Systems, modernisation of border-crossing facilities and the opening of the rail market. These reforms are not without challenges, but they bring to the population opportunities to improve living standards and overall quality of life, and to widen horizons.

I am happy to present you with this brochure on the Connectivity Agenda and a summary of the last 5 years' developments and achievements.









# CONNECTIVITY AGENDA at a glance

## What is the Connectivity Agenda?

The European Union has long been strongly engaged in the Western Balkans. Since the Thessaloniki Summit in 2003, it has supported the future of the region as an integral part of the EU. In 2014, on the initiative of several EU Member States, the leaders of Albania, Bosnia and Herzegovina, Kosovo\*, Montenegro, North Macedonia and Serbia met in Berlin in a first of a series of summits aimed at reinvigorating regional cooperation and boosting economic development in this important part of Europe.

To support this goal, in 2015 the European Union launched the Connectivity Agenda, an initiative that combines high-level political commitment from both the EU and the region with a financial pledge of EUR 1 billion from EU pre-accession funds linked to reform measures to improve key transport and energy connections. Building on progress made, the Western Balkans Strategy of the European Commission of February 2018<sup>1</sup>, as well as the EU - Western Balkans Summit in Sofia in May 2018, further enhanced the focus on connecting people in the region in all dimensions: transport, energy, digital, economic and human.

## Why is it important?

The Western Balkans are surrounded geographically by EU Member States. It is a political priority to connect infrastructure between the EU and the Western Balkans. As part of an ambitious plan to connect Europe from East to West, and from North to South, the EU is extending the core energy and transport Trans-European Networks to the region and is supporting the roll out of broadband infrastructure.

Enhancing connectivity within the Western Balkans represents as well a strategic interest for both the region and the EU. Increasing transport and energy connections improves competitiveness, drives economic growth and ensures security of supply, and is at the same time an important prerequisite for economic integration within the Western Balkans.

\*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.

<sup>1</sup>A credible enlargement perspective for and enhanced EU engagement with the Western Balkans, COM(2018) 65 final.







## Expected results of connectivity investment projects 2015-2019



### **560 km of 400kV transmission lines.**

Continuous and competitive energy supply for the people and businesses in the region.



**170 km of gas pipeline.** Increased security of gas supply and diversification of energy sources.



### **320 km of railway lines & connected stations.**

Shortened travel times, e.g. 2 hours less between Belgrade and Sofia, as well as between Belgrade and Bar; 1 hour less between Pristina and Skopje.



**170 km of motorways.** Shortened travel times, e.g. 1 hour less between Sarajevo and Zagreb, as well as Niš and Pristina; 1/2 hour less between Pristina and Skopje.



**2 cross-border bridges.** Improved trade in goods and services within the region and with the EU.



**Increase in intermodal transshipment capacities** from 27,000 TEU to 107,000 TEU per year.



**1 maritime port and 1 inland waterways port** rehabilitated.



# CONNECTIVITY AGENDA at a glance

## What benefits does it bring?

Western Balkan partners still face challenges in achieving their full economic potential. By building and connecting transport and energy infrastructure, the EU creates opportunities for citizens and businesses of the Western Balkans and the EU. People can move around more easily and benefit from safer and more efficient travel routes. Energy supply is becoming more reliable. Trade in goods and services is growing and the region's competitiveness is increasing, all of which contributes to creating jobs.

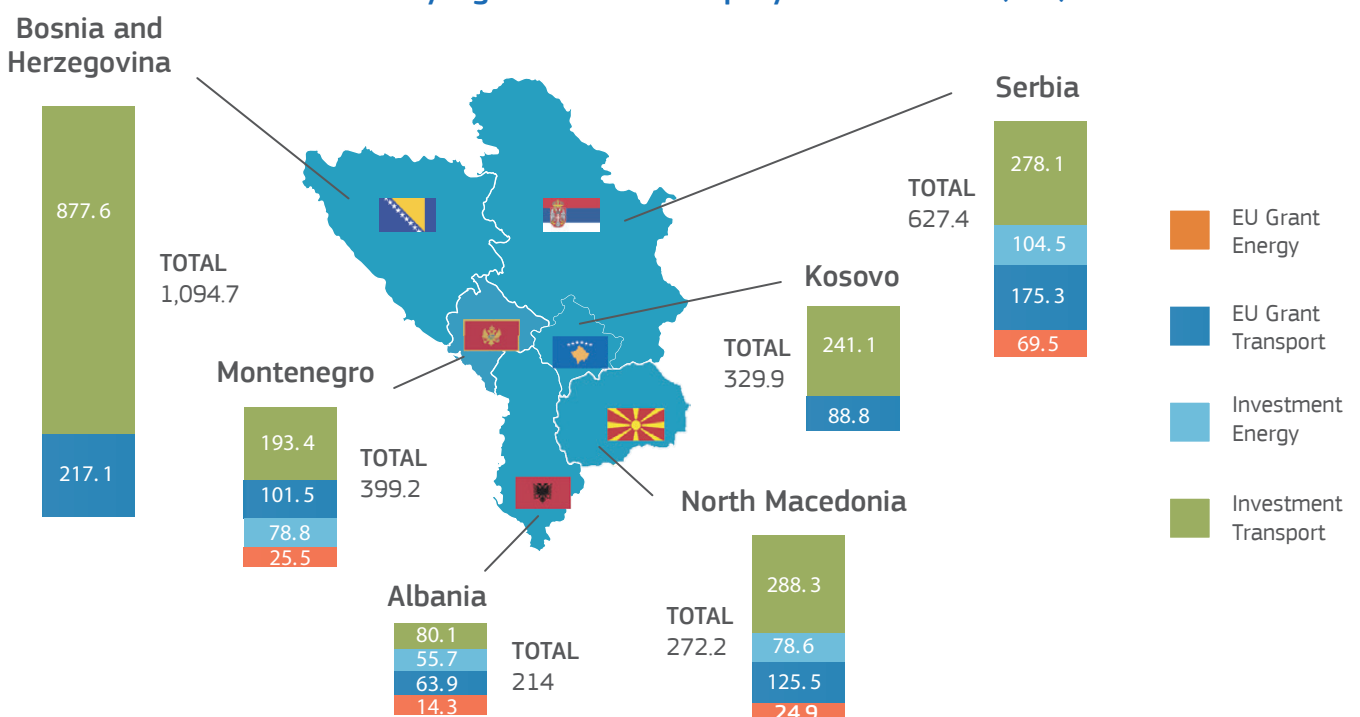
To ensure that people and businesses benefit to a maximum from infrastructure projects, the Connectivity Agenda also encompasses the so-called "connectivity reform measures". These require Western Balkans to adapt their regulatory and legal frameworks. This involves for example simplifying border

crossing procedures and prioritising road safety measures, which are at the core of people's everyday lives. These reforms will help reduce accidents, and decrease waiting time at the borders. In the energy sector, reform measures, for example, will establish a regional single electricity market, which will reduce energy costs and increase energy security.

## Which sectors are supported?

The Connectivity Agenda addresses transport and energy gaps, and increasingly also digital needs. The transport sector encompasses key road and rail routes, and the most important ports. The energy sector involves electricity and gas transmission, as well as renewable energy generation. Creating digital opportunities means bringing people and enterprises into the 21st century.

Connectivity Agenda - state of play 2015 - 2019 (€m)



## How much funding goes into it?

### *EU support to connectivity sectors - a long-standing engagement*

Since the 1990s, the EU has been supporting the Western Balkans in constructing and modernising their transport and energy infrastructure. To date, the EU provided more than EUR 11 billion to transport and energy infrastructure development in the region, through grants from the European Commission and loans from the European Investment Bank. This has resulted in overall investments of almost EUR 22 billion. With this financing, the EU helped rehabilitate and construct roads, bridges, railways and electricity lines essential for connecting the Western Balkans with one another and with the EU.

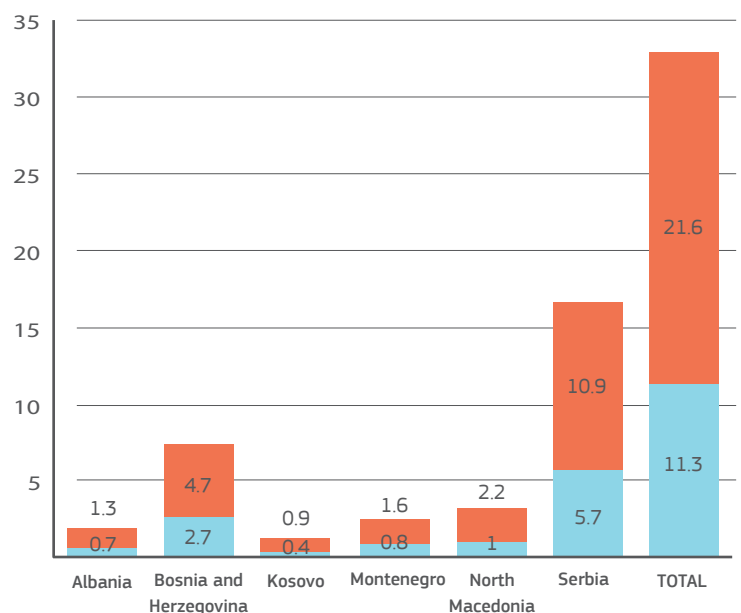
*This makes the EU by far the biggest investor in the region.*

The EU provides loans with attractive conditions. It also provides a large amount of non-re-payable grants. This contrasts with other funding flowing into the region from other parts of the world, which comes almost exclusively in the form of loans.

### European Union's support to the development of transport and energy sectors in the Western Balkans in € billion

(Sector reforms and infrastructure projects, 1990s to 2018)

■ EU grant and EIB loans   ■ Investments leveraged



This overview is limited to EU grants support and EIB loans for the development of core transport and energy networks in the region and the integration of transport and energy markets into those of the EU, including grants awarded through the Western Balkans Investment Framework (WBIF).





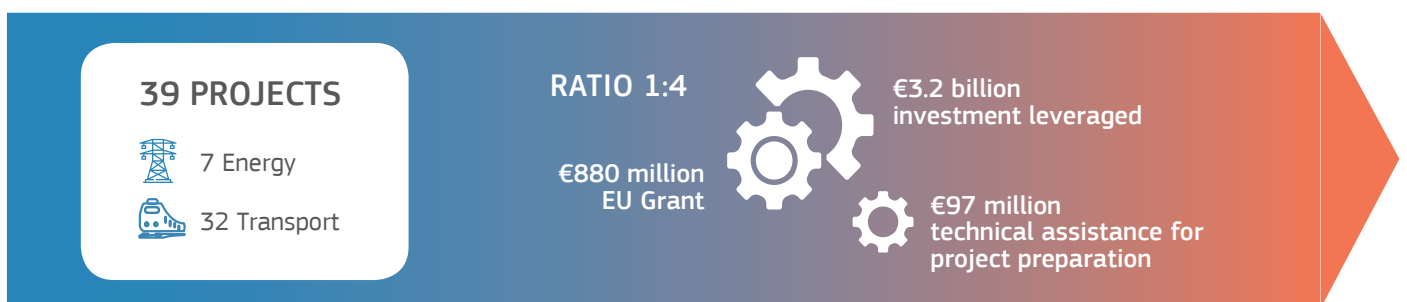
# CONNECTIVITY AGENDA at a glance

## Connectivity Agenda – pledge for 2015-2020

In 2015, with the Connectivity Agenda, the European Commission increased the focus on connecting the region by defining core transport and energy Trans-European Networks to be financed as a priority. It set aside an extra EUR 1 billion from EU pre-accession funds. Together with loans of partner International Financing Institutions, will leverage overall EUR 4 billion in key infrastructure investments, and create more than 45,000 jobs in the region.

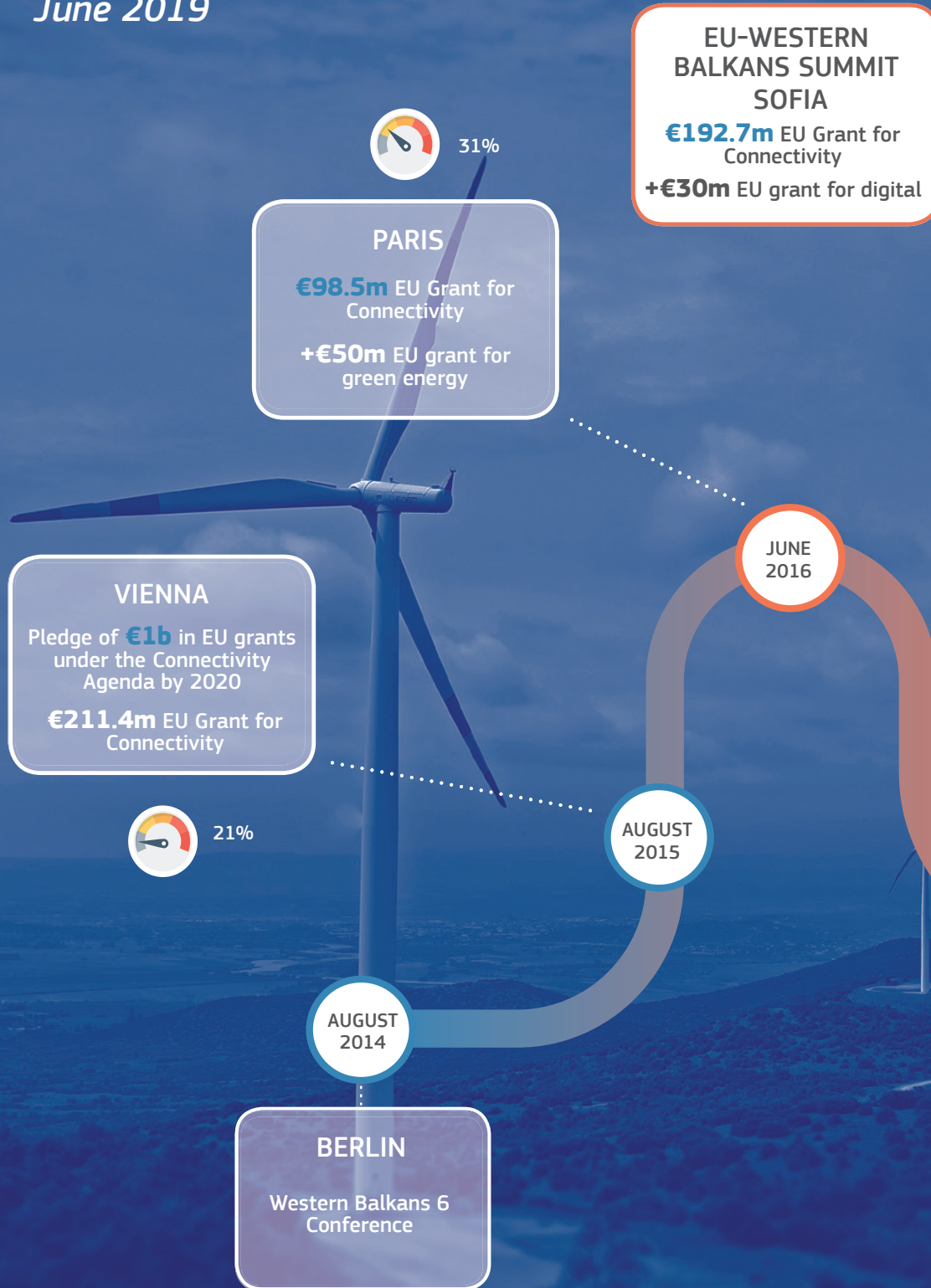


## Connectivity Agenda – funds allocated 2015-2019

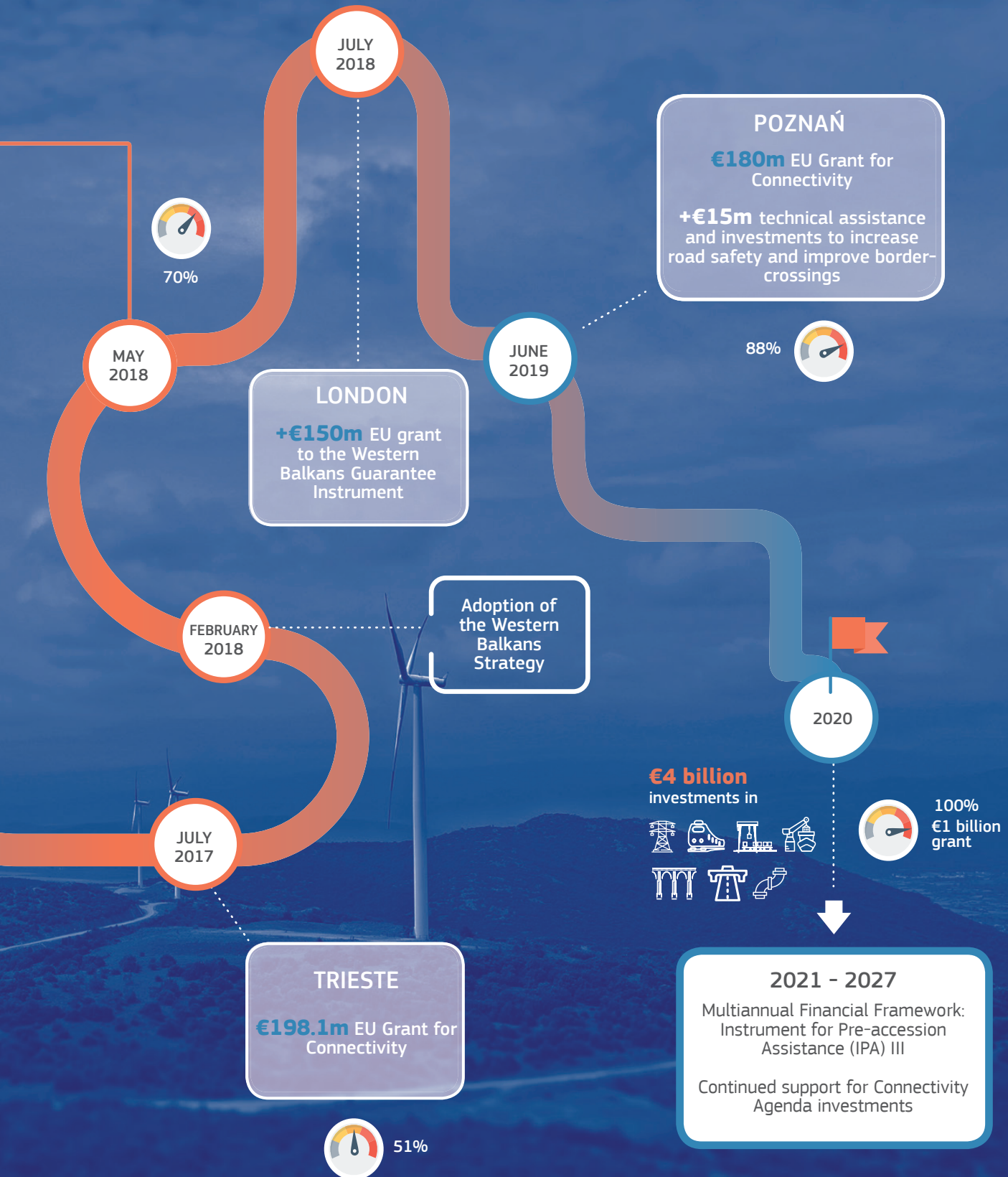


# How has it evolved?

Timeline to date  
June 2019



# CONNECTIVITY AGENDA at a glance









# CONNECTIVITY AGENDA at a glance

## How does it work?

The EU connectivity funds are channelled through the Western Balkans Investment Framework (WBIF). This donor coordination and cooperation platform consolidates funds from various sources: the European Commission, International Financing Institutions, as well as several EU Member States and non-EU countries.

The Western Balkans partners play a key role in identifying and preparing project applications, in line with their Single Project Pipelines. This increases ownership and advances the region's progress on its European path.

Financial contribution from the European Commission - in the form of non-repayable grants - helps access loans from international financing institutions. This process, called "blending" or "leveraging", has a multiplying effect, generating additional investment worth at least four times as much as EU grants alone.

The EUR 1 billion of EU money set aside for the Connectivity Agenda will thus leverage a total of EUR 4 billion euro in investments. This way the European Commission attracts the investment volumes necessary for projects of strategic importance for the region.

The applications, coming from the Western Balkans authorities themselves, are checked by the European Commission and other stakeholders, such as the Secretariats of the Energy and Transport Community Treaties,

against various criteria. The most important parameters are the maturity of the projects and their strategic relevance.

Each year, during the Western Balkans summit, the European Commission announces a new package of projects selected for investment. This is then politically endorsed and finally approved by the WBIF Steering Committee. Once approved, these large infrastructure projects are ready for implementation 6-12 months later, when the tendering procedures are completed. The aim is to start works for 50% of all projects of the connectivity agenda by the end of 2019.

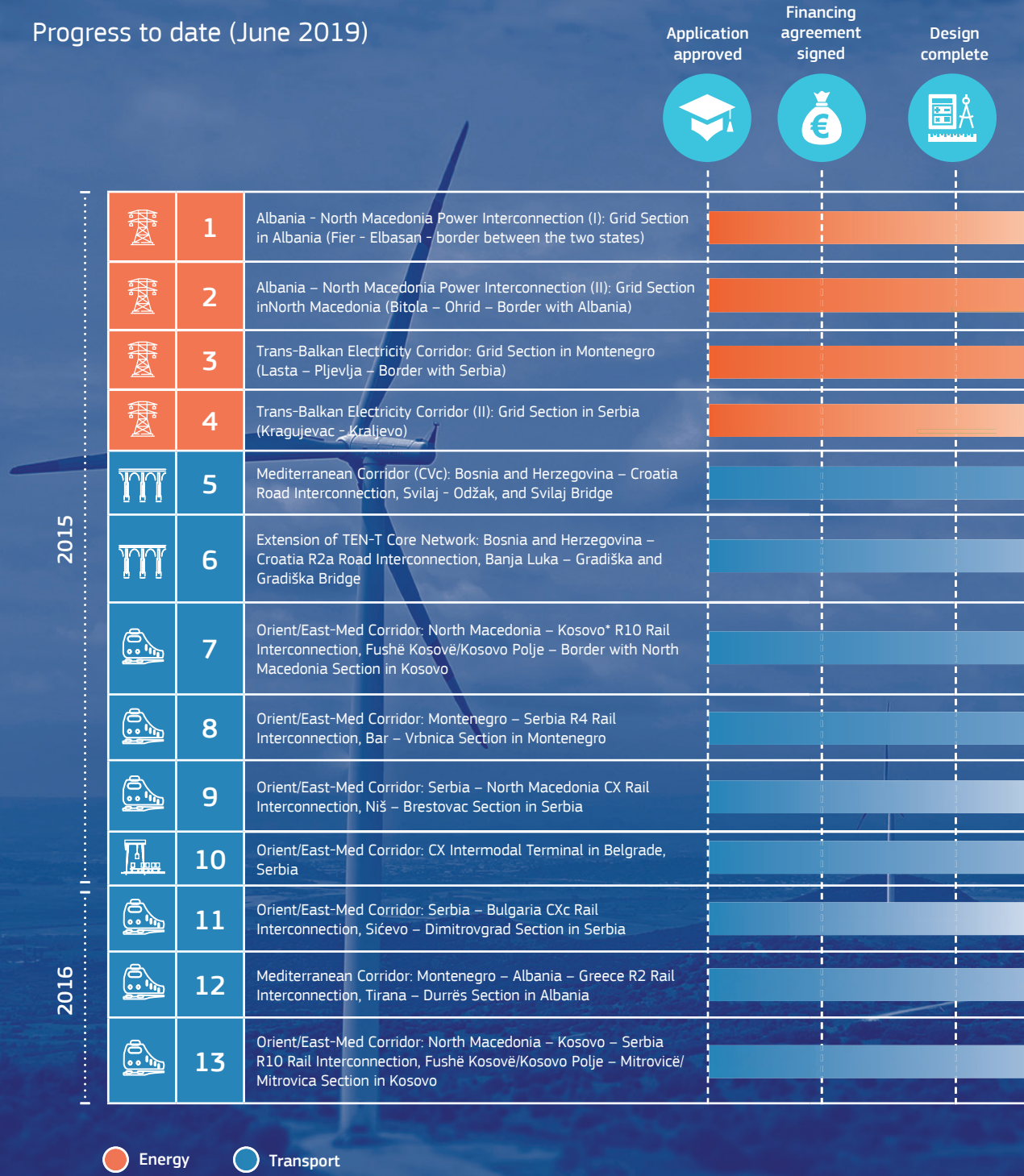
Western Balkans  
Investment Framework **WBIF**    
10  
YEARS



# Where do we stand with the projects?

## Progress of projects selected in 2015 and 2016

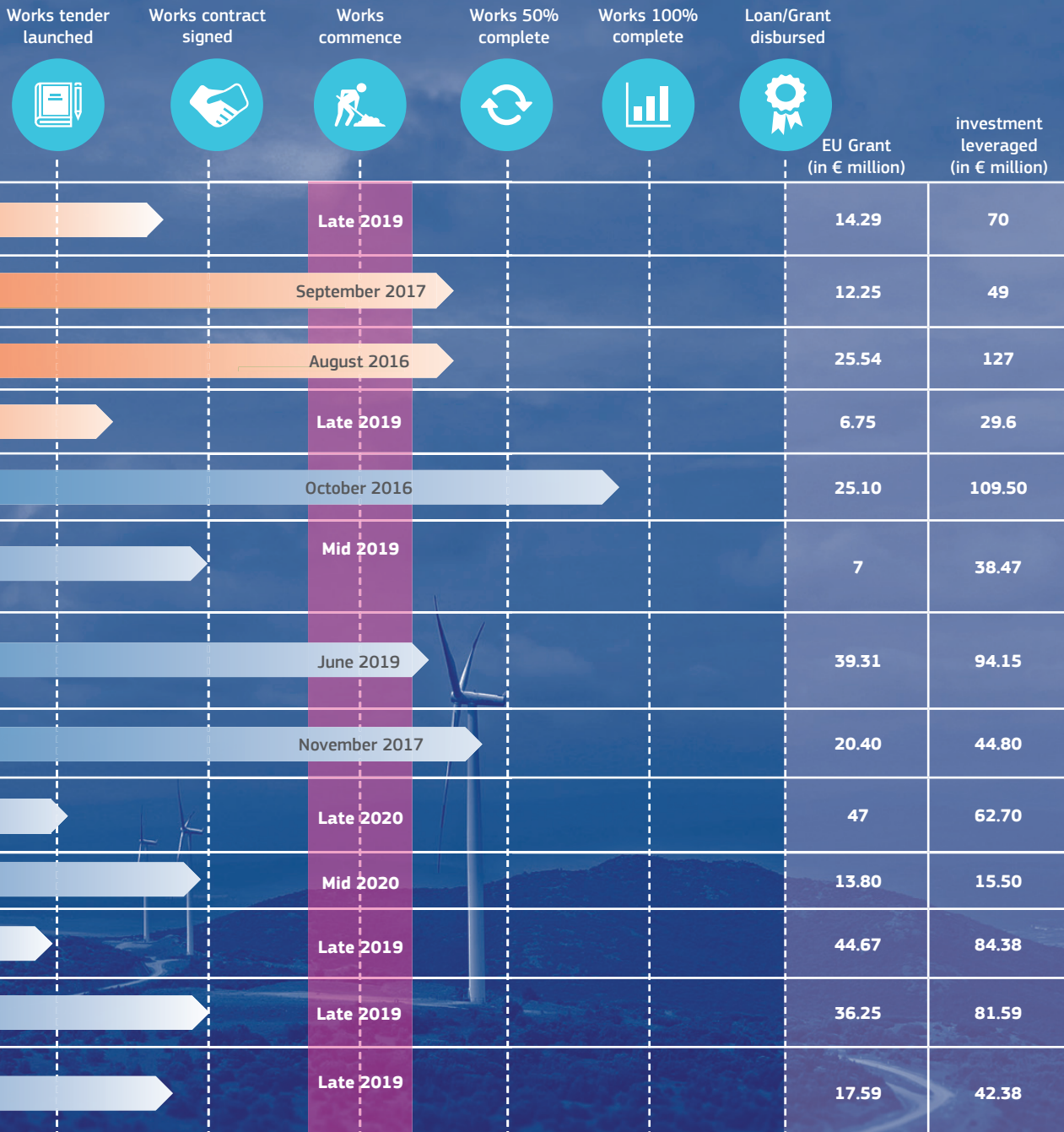
Progress to date (June 2019)



 Energy  Transport



# CONNECTIVITY AGENDA at a glance



More information on [www.wbif.eu/projects](http://www.wbif.eu/projects)



Railways



Freight Terminal



Electricity Transmission



Road & bridge



# Where do we stand with the projects?

## Progress of projects selected in 2017 and 2018

Progress to date (June 2019)

Application approved

Financing agreement signed

Design complete



Year	Project Number	Project Description	Application approved	Financing agreement signed	Design complete
2017	1	Project of Energy Community Interest: Serbia (Niš) – Bulgaria Gas Interconnector	Yes	Yes	Yes
	2	Mediterranean Corridor: Bosnia and Herzegovina – Croatia Cvc Road Interconnection I, Ponirak – Vraca / Zenica Tunnel Segment in Bosnia and Herzegovina	Yes	Yes	Yes
	3	Mediterranean Corridor: Bosnia and Herzegovina – Croatia Cvc Road Interconnection II, Zenica Tunnel – Donja Gračanica Segment in Bosnia and Herzegovina	Yes	Yes	Yes
	4	Mediterranean Corridor: Bosnia and Herzegovina – Croatia Cvc Road Interconnection III, Johovac Interchange – Rudanka Interchange Section in Bosnia and Herzegovina	Yes	Yes	Yes
	5	Orient/East-Med Corridor: North Macedonia – Bulgaria CVIII Rail Interconnection, Beljakovce – Kriva Palanka Section in North Macedonia	Yes	Yes	Yes
	6	Orient/East-Med Corridor: Serbia – Bulgaria CXc Rail Interconnection, Niš – Dimitrovgrad Section in Serbia	Yes	Yes	Yes
	7	Rhine/Danube Corridor: Bosnia and Herzegovina – Croatia Waterway Interconnection, Brčko port	Yes	Yes	Yes
	8	Reconstruction of Durrës Port, Quays 1 and 2, in Albania	Yes	Yes	Yes
2018	9	Mediterranean Corridor: Bosnia and Herzegovina – Croatia Cvc Road Interconnection, Tarčin – Ivan Subsection I in Bosnia and Herzegovina	Yes	Yes	Yes
	10	Mediterranean Corridor: Bosnia and Herzegovina – Croatia Cvc Road Interconnection, Tarčin – Ivan Subsection II in Bosnia and Herzegovina	Yes	Yes	Yes
	11	Mediterranean Corridor: Bosnia and Herzegovina – Croatia Cvc Road Interconnection, Buna – Počitelj Subsection in Bosnia and Herzegovina	Yes	Yes	Yes
	12	Orient/East-Med Corridor: North Macedonia – Bulgaria CVIII Road Interconnection, Kriva Palanka – Deve Bair Section in North Macedonia	Yes	Yes	Yes
	13	Orient/East-Med Corridor: North Macedonia – Albania CVIII Road Interconnection, Bukojčani – Kičevo Subsection in North Macedonia	Yes	Yes	Yes
	14	Mediterranean Corridor: Montenegro – Croatia – Albania R1 Road Interconnection, Budva Bypass in Montenegro	Yes	Yes	Yes
	15	Orient/East-Med Corridor: Montenegro – Serbia R4 Rail Interconnection, Bar – Vrbnica Section in Montenegro	Yes	Yes	Yes
	16	Orient/East-Med Corridor: Serbia – Kosovo R7 Road Interconnection, Niš (Merošina) – Pločnik (Beloljin) Section in Serbia	Yes	Yes	Yes



# CONNECTIVITY AGENDA at a glance

Works tender launched	Works contract signed	Works commence	Works 50% complete	Works 100% complete	Loan/Grant disbursed	EU Grant (in € million)	investment leveraged (in € million)
		Mid 2020				49.60	85.50
		Mid 2019				19.44	83.9
		Late 2019				12.36	63.44
		July 2019				15.28	79.88
		Early 2020				70	152.37
		Late 2021				28.38	55.78
		To be confirmed				3.08	10.02
		Late 2020				27.67	62.45
		Late 2019				12.05	58.70
		Mid 2019				11.76	48.62
		June 2018				9.02	44.65
		Late 2019				2.52	12.72
		Mid 2020				20.25	105.05
		Mid 2021				42.10	187.39
		Mid 2020				16.27	40
		Mid 2021				41.46	235

-  Railways
-  Roads
-  Ports
-  Gas Inter connector

More information on [www.wbif.eu/projects](http://www.wbif.eu/projects)



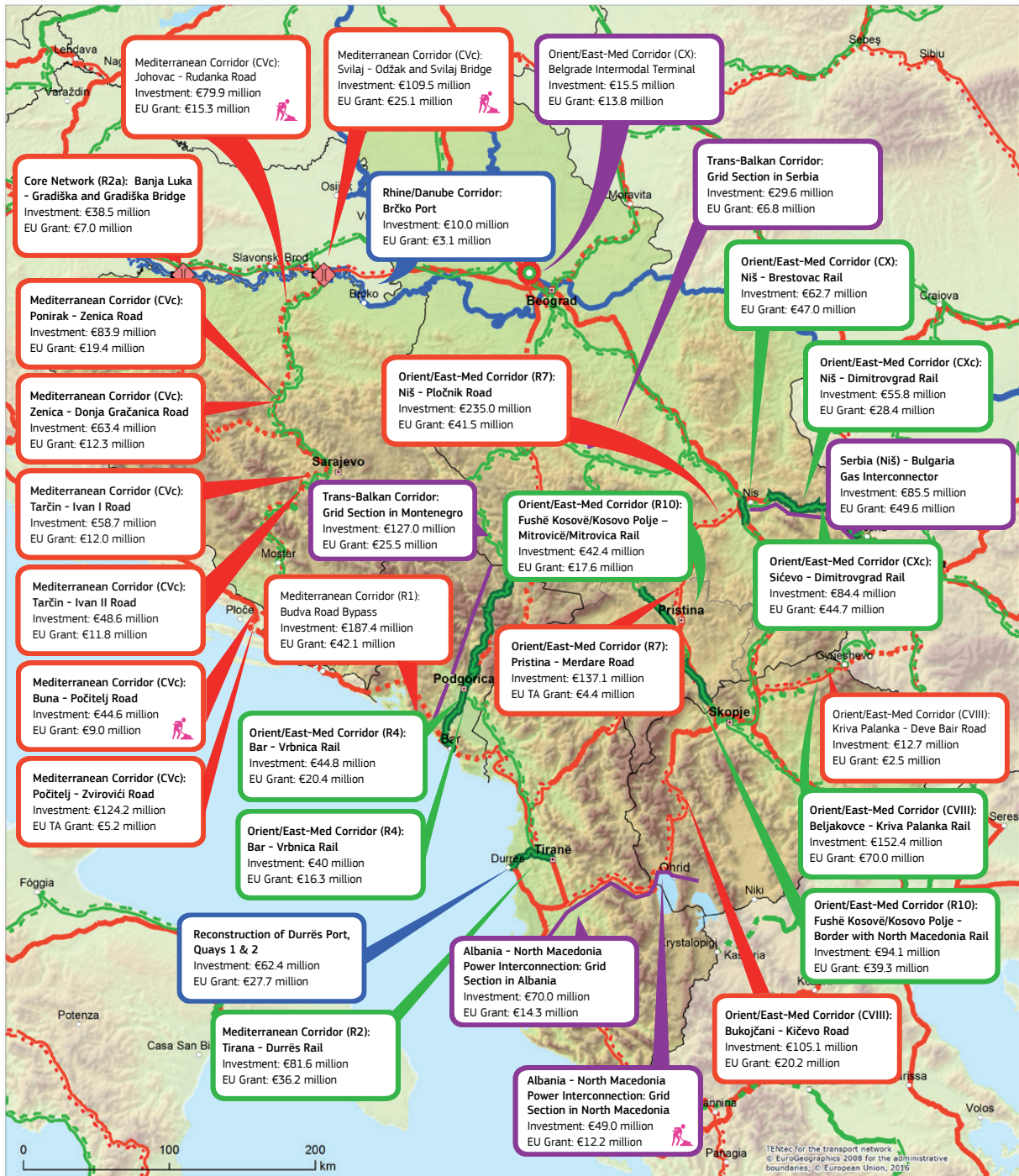




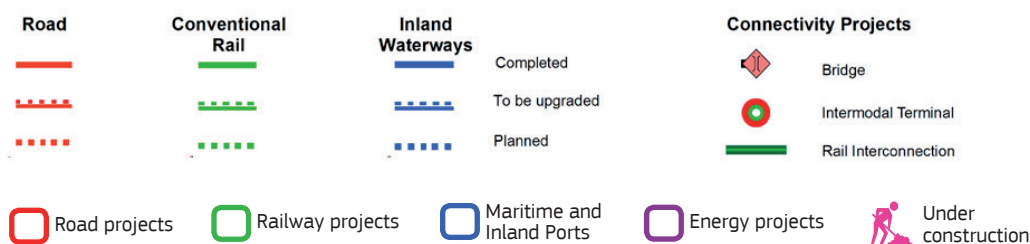


# CONNECTIVITY AGENDA at a glance

## Location of projects selected in 2015 - 2018



Map by TENtec











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# **P**ROJECTS

selected in 2019





### Benefits and Results

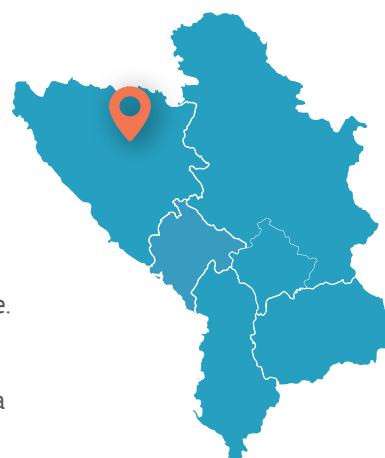
-  8.5 km motorway section, including 6 bridges, 3 underpasses, 2 interchanges with ancillary tolling facilities and a Centre for Traffic Management and Control
-  Substantial decrease in travel times between the entities border line and Karuše
-  Improved accessibility and increase in average daily traffic to more than 55%
-  Lower road accident rates and vehicle operating costs.
-  Approximately 750 jobs created during construction, operation and maintenance periods
-  Improved trade flows with the countries in the region

### PUTNIKOVO BRDO 2 TUNNEL (ENTITY BORDER LINE RS/FBIH) – MEDAKOVO INTERCHANGE MOTORWAY SUBSECTION

The objective of this investment project is the construction of approximately 8.5 km of new motorway on a subsection of the Mediterranean Core Network (Corridor Vc) in Bosnia and Herzegovina.

With a total length of 700 km, Corridor Vc connects Central Europe, specifically Hungary and eastern Croatia, to Bosnia and Herzegovina and the Adriatic Sea. The longest part of the route (approximately 335 km) crosses Bosnia and Herzegovina, encountering geomorphologically demanding terrain and often requiring the construction of tunnels and bridges.

The new road between the exit from Putnikovo brdo 2 tunnel and Medakovo interchange will shorten the travel distance between the entities border line and Karuše in the Federation of Bosnia and Herzegovina. This will improve overall traffic conditions along Corridor Vc, thus complementing other investments aimed at developing this strategic transport route.

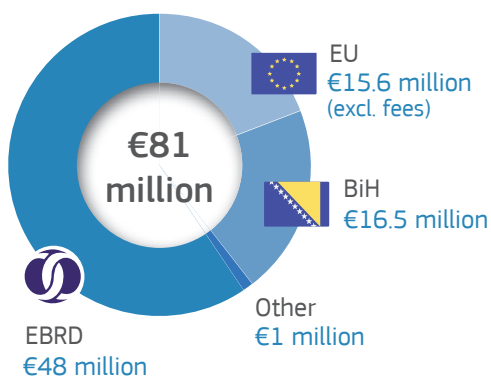


More than 95% of the transport of goods and passengers in Bosnia and Herzegovina is carried out by road. Corridor Vc represents the first modern international route crossing the country. In terms of size of works and contribution to economic development, Corridor Vc-related projects represent the most significant investments in the country.

The project is currently in its implementation stage, with preliminary and detailed designs in place and urban and environmental permits already secured. In February 2018, the Federal Ministry of Transport and Communication signed a Memorandum of Understanding with the EBRD. The loan is expected to be signed in 2019. Tendering for works will be performed in accordance with EBRD Procurement Guidelines.

The project is in line with the Framework Transport Strategy of Bosnia and Herzegovina for 2016-2030, which was created and adopted in July 2016. The Strategy is aligned with EU-wide transport policy objectives and TEN-T network priority investments.

### Estimated total investment



### Partners

Ministry of Finance and Treasury of Bosnia and Herzegovina

Ministries of Communications and Transport of Bosnia and Herzegovina and of the Federation of Bosnia and Herzegovina


Public Company Motorways of the Federation of Bosnia and Herzegovina (JP Autoceste FBiH)











## Benefits and Results


- 


5 km motorway section, including a 3.65 km twin tunnel at Golubinja, a mini Centre for Traffic Maintenance and Control, two viaducts, two bridges over the Bosna River and the Poprikuše interchange
- 

Substantial decrease in travel times between Žepče and Zenica
- 

An increase in annual daily traffic of more than 2,500 vehicles, matched with adequate safety and security conditions
- 

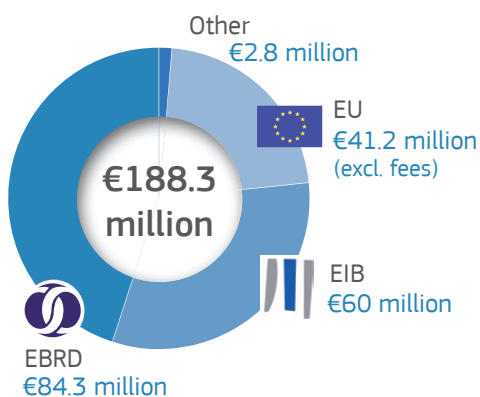
Better and safer access to work, education and healthcare for almost 169,000 local inhabitants
- 

Lower road accident rates, vehicle operating costs and levels of pollution in the area
- 

Approximately 750 jobs created during construction and operation and maintenance
- 

Improved trade flows with the countries in the region

## Estimated total investment



## Partners

Ministry of Finance and Treasury of Bosnia and Herzegovina

Ministries of Communications and Transport of Bosnia and Herzegovina and of the Federation of Bosnia and Herzegovina

Public Company Motorways of the Federation of Bosnia and Herzegovina (JP Autoceste FBiH)

## POPRIKUSE – NEMILA MOTORWAY SUBSECTION

The objective of this investment project is the construction of approximately 5.5 km of new motorway, including a 3.65 km twin tunnel at Golubinja on a subsection of the Mediterranean Core Network (Corridor Vc) in Bosnia and Herzegovina.

With a total length of 700 km, Corridor Vc connects Central Europe, specifically Hungary and Eastern Croatia, to Bosnia and Herzegovina and the Adriatic Sea. The longest part of the route (approximately 335 km) crosses Bosnia and Herzegovina, encountering geo-morphologically demanding terrain, which often requires the construction of tunnels and bridges.

The new subsection between Poprikuše and Nemila, including the twin tunnel and the interchange, represents a closing portion of a larger motorway section of more than 23 km in length, connecting the industrial areas and the towns of Zenica and Žepče. The project will establish the link between the subsections already built, complementing other Corridor Vc investments and improving overall traffic conditions along the route.



More than 95% of the transport of goods and passengers in Bosnia and Herzegovina is carried out by road. Corridor Vc is the first modern international route to pass through the country. In terms of size of works and contribution to economic development, Corridor Vc-related projects represent a significant investment in the country.

The preliminary design, feasibility study and cost-benefit analysis for the project have been completed. An environmental and social impact assessment study has also been carried out and approved by the relevant authorities. Land ownership issues are being addressed by the Expropriation Study, 72% of which has been completed by May 2019. Tendering procedures for works contracts are being performed through open international tendering, executed under the Procurement Guidelines of the EBRD and harmonised with EIB's Procurement Guidelines and general principles.

The project is in line with the Framework Transport Strategy of Bosnia and Herzegovina for 2016–2030, which was created and adopted in July 2016. The Strategy is aligned with EU-wide transport policy objectives and TEN-T network priority investments.







### Benefits and Results

-  5.2 km motorway section, including associated local access roads and a rest area
-  Substantial decrease in travel times between Doboј and Banja Luka
-  Better and safer access routes to larger urban areas for citizens living in the rural areas surrounding the proposed development
-  Facilitation of both national and international traffic
-  An increase in annual daily traffic, matched with adequate safety and security conditions
-  Lower road accident rates and vehicle operating costs
-  Improved trade flows with the countries in the region

### RUDANKA INTERCHANGE (KOSTAJNICA) – PUTNIKOVO BRDO 2 TUNNEL (ENTITY BORDER LINE RS/FBIH) MOTORWAY SECTION

The objective of this investment project is the construction of 5.2 km of motorway on a subsection of the Mediterranean Core Network (Corridor Vc) in Bosnia and Herzegovina.

With a total length of 700 km, Corridor Vc connects Central Europe, specifically Hungary and Eastern Croatia, to Bosnia and Herzegovina and the Adriatic Sea. The longest part of the route (ca.335 km) goes through Bosnia and Herzegovina.

The construction of a new subsection from the Rudanka (Kostajnica) interchange to Putnikovo brdo 2 tunnel (entity border) is one of the most important and complex investments on Corridor Vc in Bosnia and Herzegovina as it involves two tunnels and creates a prerequisite for the construction of a bypass around the city of Doboј. This would mean a bypass from Republika Srpska to the Federation of Bosnia and Herzegovina midway through a tunnel.

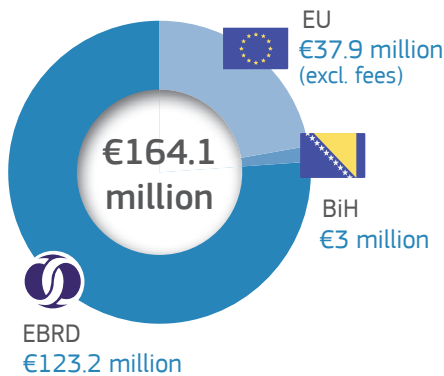


More than 95% of the transport of goods and passengers in Bosnia and Herzegovina is carried out by road. Once completed, this subsection will connect two major motorway projects (Corridor Vc and Banja Luka - Doboј motorway on Route 2a - both part of the TEN-T Core network). It is expected that 1 million people in the central and northern parts of Bosnia and Herzegovina will benefit from this investment, of which some 200,000 directly.

The feasibility study, cost-benefit analysis and detailed design for the project have been completed. An environmental and social impact assessment study has also been carried out and the ecological permit has been secured. To address the land ownership in a timely fashion, the studies were carried out to determine the amount of compensation required for expropriation were produced, and the expropriation process has started.

The project is in line with the Framework Transport Strategy of Bosnia and Herzegovina for 2016-2030, which was created and adopted in July 2016. The Strategy is aligned with EU-wide transport policy objectives and TEN-T network priority investments.

### Estimated total investment



### Partners

Ministry of Finance and Treasury of Bosnia and Herzegovina

Ministries of Communications and Transport of Bosnia and Herzegovina and of the Federation of Bosnia and Herzegovina

Public Company Motorways of the Federation of Bosnia and Herzegovina (JP Autoceste FBiH)

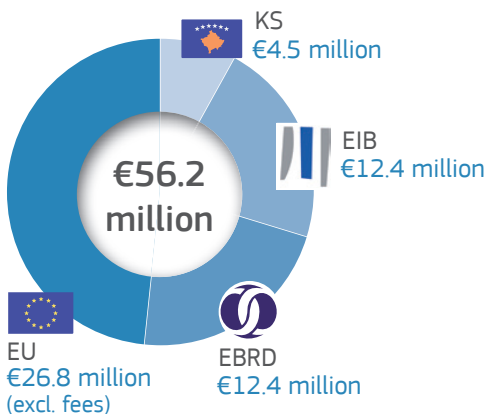




## Benefits and Results

-  Signalling and telecommunication equipment installed along Hani i Elezit/Đeneral Janković - Fushë Kosovë/Kosovo Polje - Mitrovicë/ Mitrovica section
-  Increased safety and speed conditions.
-  Improved passenger and cargo rail capacity.
-  Modernised railway line, which will enable the operation of regional and international trains
-  Reduced CO2 emissions due to the shift of passengers and freight from road to railways
-  Improved trade flows positively impacting the larger economy of Kosovo.

## Estimated total investment



## Partners

Ministry of Finance

Kosovo Railways JSC (Infrakos sh.a.)

## KOSOVO R10 RAIL INTERCONNECTION

The Orient East-Med Corridor crosses 148 km of Kosovo, from North to South and constitutes Kosovo's sole connection to the wider region by rail (R10). Route 10 forms part of the Core Network Corridors of the Trans European Transport Network (TEN-T) extension into the Western Balkans and the South East Europe Transport Observatory's (SEETO) Comprehensive Network.

The entire track is in poor condition, with serious structural constraints that limit traffic to 30-70km/h. The rehabilitation and modernisation of the entire route is being implemented in three phases:

- Hani i Elezit/Đeneral Janković - Fushë Kosovë/Kosovo Polje (Phase 1)
- Fushë Kosovë/Kosovo Polje - Mitrovicë/ Mitrovica (Phase 2)
- Mitrovicë/Mitrovica - Leshak/Lešak (Phase 3)



This objective of this investment project is the installation of signalling and telecommunication equipment at Phase 1 and Phase 2 of the route.

R10 is Kosovo's only international rail link and the rehabilitation and modernisation of this line is a key priority for its economic growth and future development. The successful implementation of this project will also benefit regional and EU railway operations that will use this line for passenger and freight transport.

The feasibility study, the cost-benefit analysis and preliminary designs were completed in 2010 with Western Balkans Investment Framework (WBIF) assistance. Additional financial support for detailed technical project design and tender preparation was granted by the WBIF in 2015. The detailed design for Phase 1 was completed in 2017 and is ongoing for Phase 2.

Financial support for general rehabilitation works in Phase 1 and Phase 2 was granted by the WBIF in the sum of EUR 38.5 million and EUR 17.2 million respectively. The successful implementation of this project will complement the respective grants, securing interoperable infrastructure and safe transport along the route.





## Benefits and Results

-  Joint railway border station and passenger border railway station
-  Office premises of 'Serbian Railways' company
-  Electrical supply block and lengthening of inspection platform.
-  500m access road, including a bridge, a pedestrian underpass and a parking lot
-  Upgraded warehouse, first platform and office premises of 'Macedonian Railways' company
-  Substantial travel time savings for passengers and freight crossing the border between North Macedonia and Serbia
-  Easier transfer ensured for state staff between the joint railway border station and the road station

### NORTH MACEDONIA-SERBIA RAIL INTERCONNECTION, TABANOVCE JOINT RAILWAY BORDER STATION

The Orient/East-Med Corridor runs between Salzburg in Austria and Thessaloniki in Greece. On its main course, it branches out to Serbia and North Macedonia. The rail route in North Macedonia is 215 km long and operational with several sections already renovated. In February 2015, the Minister for Transport and Communications of North Macedonia and the Minister for Construction, Transport and Infrastructure of Serbia agreed to establish a joint border station in Tabanovce - on the territory of North Macedonia, and facilitate border crossing procedures between the two countries. Subsequently, the European Commission approved EUR 655,000 for the preparation of all project-related documentation.

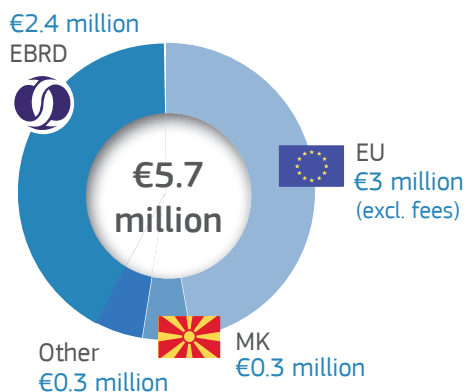
The objective of this investment project is the construction of a joint railway border station at Tabanovce, including an access road. Strategically, it is one of the most important border crossings for both North Macedonia and Serbia, as well as for transportation from Central Europe to Turkey and Central Asia.



The feasibility study, the cost-benefit analysis and the preliminary and detailed designs have been completed with Western Balkans Investment Framework (WBIF) assistance. The Ministry of Transport and Communications will carry out all necessary activities addressing land ownership issues in accordance with the national Law on Expropriation, which fully complies with EU legislation. The border complex itself and almost all its installations are located on state-owned land. Land acquisition will be performed only for parts of the alignment of the wastewater collector and the access road. Since the project is located next to the Refugee Transit Centre, relocation of some of the camp's premises will be necessary and these will also be upgraded.

Procurement procedures will be conducted through open tendering, in accordance with the EBRD's Procurement Policies and Rules. It is envisaged that the tender invitation for works will be launched in 2020.

## Estimated total investment










## Partners

- Ministry of Finance
- Ministry of Transport and Communications
- Secretariat for European Affairs – NIPAC Office





## Benefits and Results

-  12.5 km motorway section built according to modern safety standards
-  Travel time reduced by 30 minutes between Skopje and Prishtinë/Priština
-  Reduction in road accident rates and vehicle operating costs
-  An increase in annual daily traffic to 15,000 vehicles by 2030
-  Better and safer access to Skopje and Prishtinë/Priština and therefore to work, education and healthcare for the local population
-  Newly-created jobs generating social benefits during the construction phase
-  Improved trade flows with the countries in the region

### (ROAD ROUTE 6A): MOTORWAY A4 SKOPJE-BLACE

The objective of this investment project is the construction of a 12.5 motorway subsection from Stenkovec interchange to Blace implemented in two phases of which the first one is an advanced stage and the second one is currently being prepared for the works expected to start next year. This road is part of the indicative extension of the TEN T Core Network (Orient/East-Med Corridor) in the Western Balkans and it is directly connected to EU Corridor VIII (Bulgaria-North Macedonia-Albania) and to Corridor X (Serbia-North Macedonia-Greece). It is a particular relevant section given the fact that the motorway on Kosovo's side is operational since the end of May 2019.

The overall objective of the project is to upgrade the existing road to a motorway standard and to establish faster and safer connectivity route along state road A4 (SEETO Route 6a), improving the backbone network of the country and the overall transport connectivity in the region.

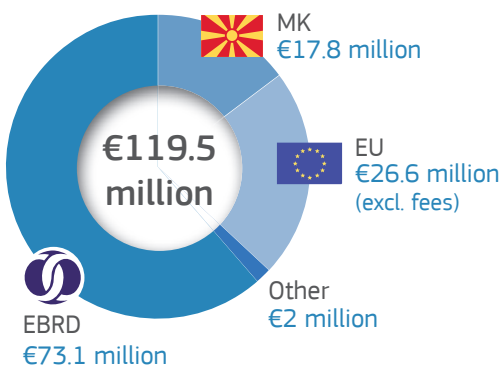
Once this section is completed, the A4 state road will be at the level of a motorway/ express road for 130 km (68% of its 190 km).



This investment has a vital role in the economic and social development of the north-western region of North Macedonia. Trade flows in the region are expected to increase significantly. This will indirectly create jobs in many sectors from both sides of the border. Local communities along the upgraded road will also benefit from better access to healthcare, education and social activities.

The feasibility study and cost-benefit analysis for the project have been completed. The European Union has funded these activities through the Western Balkans Investment Framework (WBIF). The WBIF grant will also cover the detailed design and related tender documents, plus a full environmental and social impact assessment study (including public consultations).

## Estimated total investment




## Partners

- Ministry of Finance
- Ministry of Transport and Communications
- Secretariat for European Affairs – NIPAC Office
- Public Enterprise for State Roads





**Benefits and Results**

-  68 km North Macedonia - Greece interconnection gas pipeline
-  Secured sustainable energy sources
-  Increased number of both households and industrial facilities using natural gas
-  Integration at a regional and European market level and increased competitiveness of the natural gas market in North Macedonia
-  Reduction in air pollution, especially in larger and industrially developed cities
-  Improved energy cooperation with countries in the region, with positive effects on the broader socio-economic development of North Macedonia.

**NORTH MACEDONIA-GREECE**

Energy industries in the Western Balkans still suffer from outdated infrastructure, low energy efficiency and fragmented markets with limited cross-border trade operations. The only source of natural gas in North Macedonia comes through the network of Gazprom, Russian Federation, and enters the country through the Bulgarian gas pipeline.

The objective of this investment project is the construction of a gas pipeline connecting North Macedonia and Greece. The pipeline will run from Gevgelija (at the border with Greece) to Negotino where it will connect to the Shtip - Negotino pipeline and the valve station, which has already been constructed. The project will provide access to various sources of natural gas, which will increase the competitiveness of the natural gas market and ensure a stable energy supply in North Macedonia.

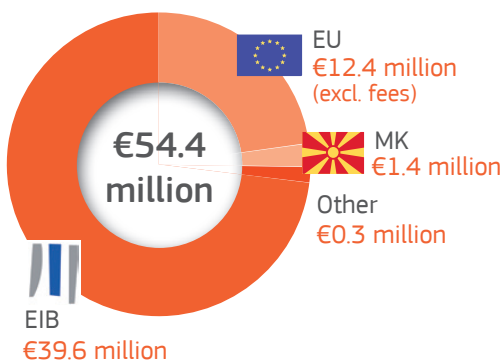


This interconnection will allow North Macedonia to connect to the Trans Adriatic Pipeline (TAP) now under construction in Greece and Albania. TAP is part of the EU's Southern Gas Corridor, which also comprises the South Caucasus Pipeline crossing Azerbaijan and Georgia, and the Trans Anatolian Pipeline. TAP will extend across northern Greece, Albania and the Adriatic Sea before reaching Italy's coast where it will connect to the Italian natural gas network.

The project also complements the Memorandum of Understanding on a joint approach to address the natural gas diversification and security of supply challenges as part of the Central and South-Eastern European Gas Connectivity (CESEC) initiative, signed in July 2015.

Technical Assistance activities financed by the European Union are intended for project implementation. Land ownership issues will be addressed once the infrastructure design is completed.

**Estimated total investment**










**Partners**

- Ministry of Finance
- Ministry of Economy
- Secretariat for European Affairs – NIPAC Office
- Joint Stock Company for performing energy activities (MACEDONIAN ENERGY RESOURCES Skopje)





## Benefits and Results

-  109 km double circuit 400 kV overhead line installed between Obrenovac substation and Bajina Bašta substation
-  Obrenovac substation and Bajina Bašta substation reconstructed, including an upgrade of Bajina Bašta substation to 400 kV voltage level
-  Increased energy efficiency and secured electricity supply
-  Better connectivity of region and EU
-  Increased regional exchange and enhanced competitiveness
-  Decrease in energy losses and CO2 emissions
-  Facilitated integration of renewable energy sources and energy efficiency

### DOUBLE CIRCUIT 400 KV OVERHEAD LINE OBRENOVAC - BAJINA BAŠTA

The objective of this investment project is the upgrade of the transmission network in Serbia, supplying a new double circuit 400 kV overhead line between Obrenovac and Bajina Bašta and reconstructing the existing substations at Obrenovac and Bajina Bašta with an upgrade of substation Bajina Bašta to 400 kV voltage level.

This project represents a strategic energy investment. Serbia lies in the middle of the Balkans, with eight neighbouring countries and its transmission network forms a vital link between the transmission systems of the region. The project complements a larger EU initiative to establish a Trans-Balkan electricity transmission corridor between central Serbia and its connection with Romania and Bosnia and Herzegovina and Montenegro towards Italy.



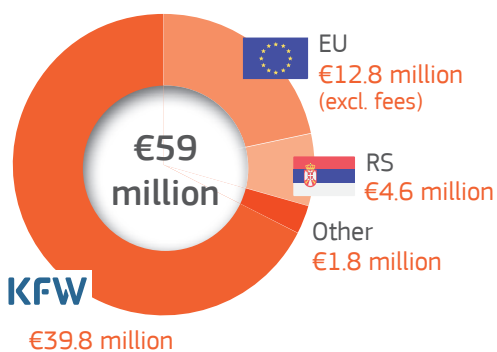
Serbia's electricity transmission network needs upgrading and expanding. One section, covering the existing overhead lines and substation equipment at Bajina Bašta and the overhead line to Obrenovac is in extremely poor condition after 50 years of continuous service. There is also a need to develop a new 400 kV corridor to accommodate future projects and the development of electrical transmission systems not only in Serbia and the Western Balkans, but which will connect to North-East and South-East Europe.

This project has been designated a "Project of Energy Community Interest" (PECI) due to its contribution to the promotion of regional integration with increased cross-border trade and competition among suppliers.

The feasibility study was funded by the European Union through the Western Balkans Investment Framework grant and completed in August 2011. An additional KfW grant was approved to harmonise the feasibility study, the preliminary design and the environmental and social impact assessment with national legislation needs. These activities were completed in December 2017.

Financing for this project is dependent on the fulfillment of the related connectivity reform measure.

## Estimated total investment



## Partners

- Ministry of Finance
- Ministry of Mining and Energy
- Elektromreža Srbije (EMS)
- Energy Agency of the Republic of Serbia (AERS)









# PROJECTS SELECTED in 2019

