



The Economic and Investment Plan and the Green Agenda for the Western Balkans

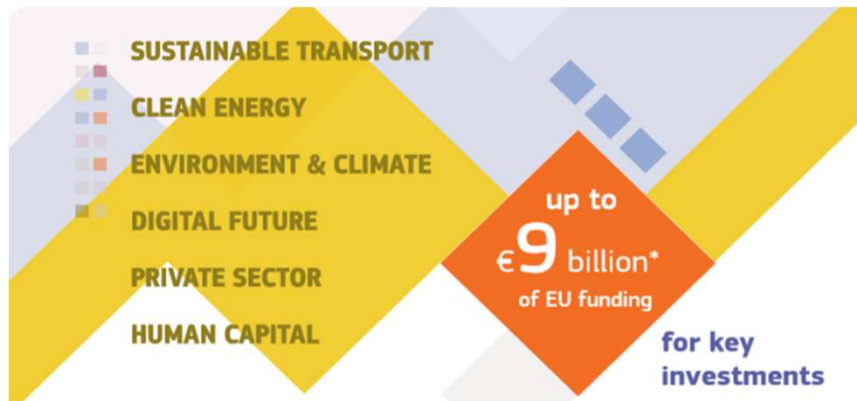
Latest Developments

**Western Balkans forum: Environmental /
Climate achievements and future
challenges**

18 November 2022

Economic and Investment Plan (EIP)

- Ensure economic recovery
- Focus on the **twin green and digital transition**.



- New **Western Balkans Guarantee facility**, which can raise investments of up to **€20 billion**.



EIP flagships:



Sustainable transport

- ▶ FLAGSHIP 1 – Connecting East to West
- ▶ FLAGSHIP 2 – Connecting North to South
- ▶ FLAGSHIP 3 – Connecting the coastal regions



Clean energy

- ▶ FLAGSHIP 4 – Renewable energy
- ▶ FLAGSHIP 5 – Transition from coal
- ▶ FLAGSHIP 6 – Renovation wave



Environment & climate

- ▶ FLAGSHIP 7 – Waste and waste water management



Digital future

- ▶ FLAGSHIP 8 – Digital infrastructure



Private sector

- ▶ FLAGSHIP 9 – Investing in the competitiveness of the private sector



Human capital

- ▶ FLAGSHIP 10 – Youth Guarantee

Economic and Investment Plan (EIP)

- Implemented at regional level and through bilateral IPA programmes at country level
- Western Balkans Investment Framework:
 - Blending for public infrastructure and private sector
 - Financial guarantees: EFSD+ WB Guarantee Facility
- Regional programmes (e.g. EU4Green, EU4 Energy Transition, Coal Regions in Transition in Ukraine and the Western Balkans)
- Support under national IPA programmes (updates on IPA 2023 and 2024 as impacted by the Energy Crisis)

EIP Flagships – Green Transition

- Clean energy: Renewable energy, Transition from coal, Renovation wave
- Water and wastewater management

Renewable Energy



Flagship 4 · Renewable energy

Albania

Vau i Dejës Floating Solar Photovoltaic Power Plant

WBIF bilateral donor grant 2022	€2.6m
EBRD loan	€7.5m
National contribution	€1.9m
Total project cost	€12.0m



Flagship 4 · Renewable energy

North Macedonia

Oslomej 1 Solar Photovoltaic Power Plant

WBIF bilateral donor grant 2022	€1.6m
EBRD loan	€5.9m
National contribution	€1.3m
Total project cost	€8.8m



Flagship 4 · Renewable energy

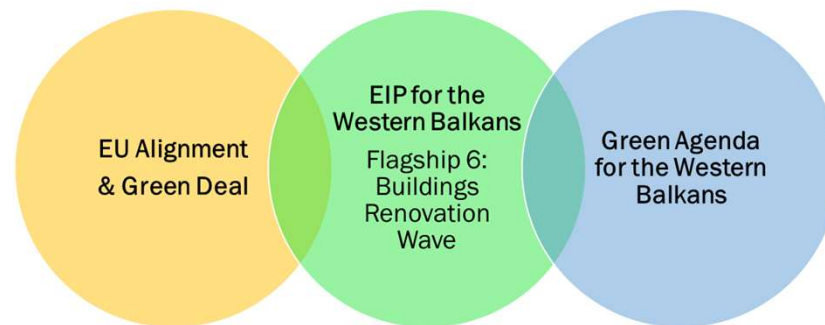
North Macedonia

Oslomej 2 and Bitola Solar Photovoltaic Power Plants

WBIF EU grant 2022	€5m
EBRD loan	€19.8m
National contribution	€0.7m
Total project cost	€25.5m

Renovation Wave - Regional Energy Efficiency Programme (REEP)

- OBJECTIVE: Promote sustainable market for energy efficiency in the Western Balkans
- Key instrument for the implementation of the Economic and Investment Plan, in line with the Green Agenda for the Western Balkans.

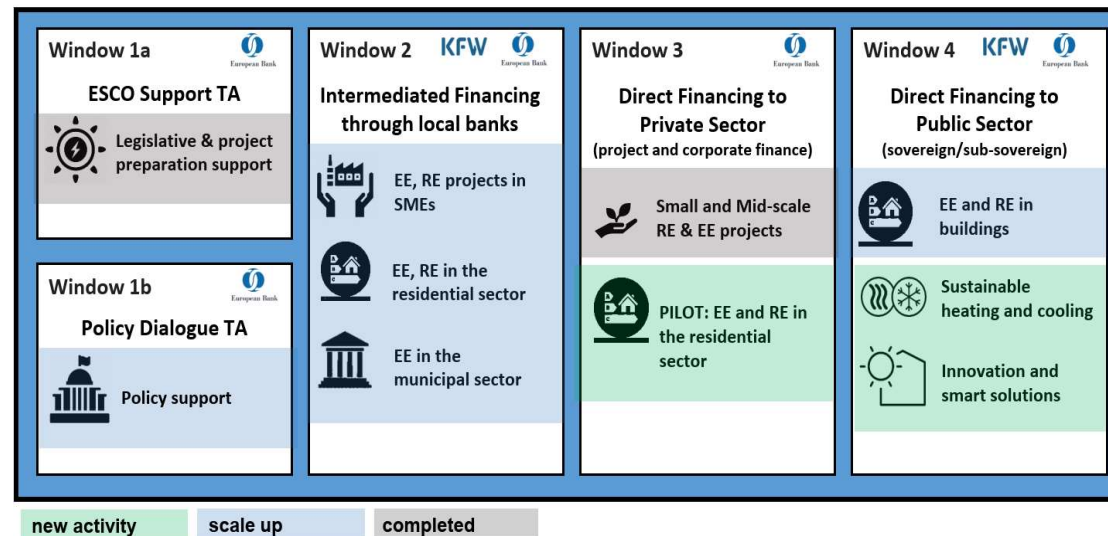


- Operational since 2013
- Implementing IFIs: EBRD (since 2013) and KfW (since 2017)
- Product offering for all beneficiaries: national and local governments, private sector, households

REEP outlook


- Extend the EU Renovation Wave: €100 mio replenishment end 2022
 - Focus on EE and RE in Residential Sector
 - Sustainable heating and cooling in Public Buildings
 - Credit lines for investments by SMEs and Households
- Acceleration and additional support
 - More renewable energy (solar roads, biomass, heat pumps)
 - Saving energy – investments in energy efficiency

REEP structure:



Transition from Coal

- Investing in Transmission Infrastructure
- Ongoing EU investments in gas interconnectors
- Coal Regions in Transition



Flagship 5 - Transition from coal

Serbia

Trans-Balkan Electricity Corridor: Serbia - Montenegro - Bosnia and Herzegovina 400 kV Interconnection

WBIF EU grant 2022	€8.5m
Previous EU grants	€2.1m
KfW loan	€27.8m
National contribution	€2.4m
Total project cost	€40.8m

Energy Support Package for the WB

- Western Balkans **Berlin Summit 3 November**: President von der Leyen announced **EUR 1 billion** energy support package in EU grants.
- Immediate term: **EUR 500 million** budget support from IPA III 2023 budget, to disbursed as early as January 2023
- Short and medium term: **EUR 500 million** via Western Balkans Investment Framework

Waste and Waste Water Management



Flagship 7 - Waste and waste water management

Montenegro

Podgorica Wastewater Treatment Plant

WBIF EU grant²	€23.9m
Previous WBIF bilateral donor grant	€10.1m
Lead IFI	KfW
Estimated investment	€75.6m
Expected completion	2025



Flagship 7 - Waste and waste water management

North Macedonia

Skopje Wastewater Treatment Plant

WBIF EU grant²	€72.7m
Previous EU grant	€0.5m
Lead IFI	EIB
Co-financier	EBRD
Estimated investment	€136.7m
Expected completion	2025

Regional Programmes

- EU4Green
- EU4Energy Transition

EU4Green

- Implemented by Environment Agency Austria
 - Beneficiaries: Albania, Bosnia and Herzegovina, Kosovo*, Montenegro, North Macedonia and Serbia.
 - Duration: January 2022- December 2025 (CURRENTLY IN INCEPTION PHASE)
 - Budget: 11 Million Euro
- ✓ **Overall Objective: To enhance the Western Balkans transition to modern, resource-efficient and competitive economies where growth is decoupled from emissions of greenhouse gases, resource use and waste generation and where climate resilience is pursued.**
 - ✓ **Specific objective: To support the Western Balkans in the implementation of the Green Agenda, thus achieving their commitment to transforming their economies on a more sustainable path and reaching climate neutrality by 2050.**

Main Outcomes

- EO1: Beneficiaries are **empowered in the implementation of the Green Agenda action plans**, its five main areas of implementation relevant through a fit for purpose setup
- EO2: **Monitoring and reporting** processes for the GAWB are operational
- EO3: **Citizens are aware** of the EU's efforts and contribution in the improvement of living conditions and sustainable green recovery in the Beneficiaries
- EO4: Beneficiaries will be able to **articulate needs relating to the implementation of the Green Agenda** in the programming of the Instrument for Pre-Accession (IPA) III as well as the relevant investment flagships defined in the Economic and Investment Plan

EU4Energy Transition: Covenant of Mayors (CoM) in the Western Balkans and Turkey

- **Partner Countries:** Albania, Bosnia and Herzegovina, Kosovo*, Montenegro, North Macedonia, Serbia, Turkey
- **Volume:** EUR 9.335 million (EUR 8 million of European Commission; EUR 1.335 million of German Federal Ministry for Economic Cooperation and Development)
- **Duration** 1 March 2021 to 28 February 2025
- **Implementing Partners:** Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, Central Project Management Agency (CPMA)

Duration: 48 months

Starting date: 1 March 2021

End date: 28 February 2025

The action directly benefits the cities and municipalities as well municipal associations and the municipal administrations in the participating countries.

The indirect final target group is the urban population in these countries, which benefit from better energy planning and climate protection management at the local level.

EU4Energy Transition: Covenant of Mayors (CoM) in the Western Balkans - Outputs

- A multi-level governance exchange platform is established
- Regional and inter-regional cooperation between the Covenant of Mayors initiatives and municipalities in the Western Balkans is established
- Developing Sustainable Energy and Climate Action Plans (SECAPs)
- Small-scale SECAP projects are implemented
- Monitoring and reporting processes in line with CoM requirements are operational.
- The Western Balkans CoM supporting structure is operational.



Thank you!



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