



# Cross-Border Cooperation the Economic and Investment Plan and the Green Agenda for the Western Balkans

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# Economic and Investment Plan

- Commission Communication “An Economic and Investment Plan for the Western Balkans” of 6 October 2020 COM(2020) 641
- Substantial investment package with up to **EUR 9 billion in IPA III** funding, with the possibility of leveraging a further **EUR 20 billion in investments** through the WB Guarantee Facility.



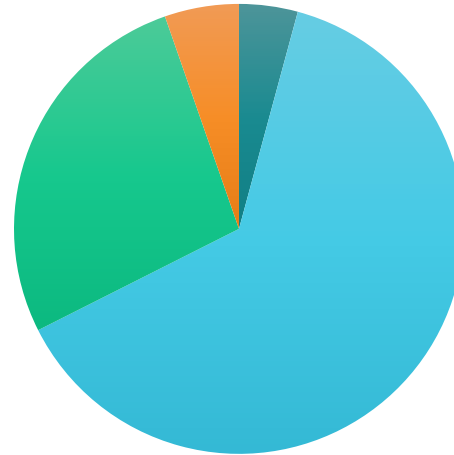
# Why the EIP?

- Support the long term **economic recovery** of the region, underpinned by green and digital transition.
- Promote sustained **economic growth**, **implementation of reforms** to move forward on EU path.
- Unleash economic potential of the region and scope for **increased regional economic cooperation and trade**
- Increase the region's competitiveness by improving **sustainable transport and energy connectivity**.



# IPA Contribution to the WIP

## EIP breakdown per IPA Window



- Window 2: Good governance, EU acquis alignment, good neighbourly relations and strategic communication
- Window 3: Green agenda and sustainable connectivity
- Window 4: Competitiveness and inclusive growth
- Window 5: Territorial and cross-border cooperation

# EIP Priorities & 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

# PRIORITY 1 – Transport

## Objective

Speed up construction of new transport infrastructure and the upgrading of existing infrastructure on the indicative extension of the TEN-T core network, while contributing to Green Agenda

## Key Components

- Rehabilitation and construction **Road and rail infrastructure, inland waterways.**
- Deployment of **digital transport technologies**, such as intelligent transportation systems (ITS) or electronic queuing management systems (eQMS);
- Road safety
- Implementation of **sustainable urban mobility**, green multimodal transport solutions and investments intended to facilitate cross-border mobility.



Flagship 1 - Connecting East to West

Serbia

### Rhine-Danube Corridor: Removal of WWII German Sunken Vessels from the Danube, Prahovo Sector

|                      |        |
|----------------------|--------|
| WBIF EU grant        | €16.6m |
| EIB loan             | €13.2m |
| Estimated investment | €29.8m |
| Expected completion  | 2028   |



# PRIORITY 2 – Energy

## Objective

Energy connectivity, decarbonisation, clean energy, digitalization of the system and smart grids, and energy security

## Key Components

- **Decarbonisation and clean energy**, harnessing renewable energy potential and transiting away from coal;
- New **digital technologies**, increased digitalisation of the system and **smart grids**;
- Promoting **energy efficiency**;
- **Energy security**;
- Enhanced energy connectivity.



Flagship 4 - Renewable energy

North Macedonia

**Bogdanci Wind Park  
Phase 2**

|                          |        |
|--------------------------|--------|
| WBIF EU grant            | €9.3m  |
| KfW grant and loan       | €18.2m |
| Beneficiary contribution | €2.9m  |
| Estimated investment     | €30.4m |
| Expected completion      | 2025   |

# Energy Support Package

- Announced by COM President Ursula von der Leyen on 3 November 2022: **Western Balkans Berlin Process Summit**
- EU response to the **social and economic impact of the energy crisis** generated by Russia's war of aggression against Ukraine.
- Main objectives:
  - Help the Western Balkans partners to begin decreasing their dependence on Russian fossil fuels.
  - Accelerate decarbonisation.
  - Improve the energy security of the region.

## Energy support package

€1 bn  
EU grants

## Immediate measures

€500m  
budget support to tackle  
the effect of the energy crisis

## Short and medium term measures

€500m  
financial assistance through  
targeted investments



# PRIORITY 3 – Green Agenda

## Objective

Decarbonisation, climate resilience, depollution of air/water/soil, green infrastructure, circular economy, sustainable farming/food production, protecting biodiversity

## Key Components

- Upgrading basic infrastructure, greening the built environment, investments in **climate-smart technologies** and techniques in the field of **solid waste management, water, sanitation**, disaster preparedness, establishment of air and water monitoring systems and pollution prevention measures, and in the field of **sustainable transformation of agri-food systems** and rural development.
- Nature-based solutions will be encouraged and supported.



Flagship 7 - Waste and waste water management

North Macedonia

### Skopje Waste Water Treatment Plant

|                          |         |
|--------------------------|---------|
| WBIF EU grant            | €72.7m  |
| Previous EU grant        | €0.5m   |
| EIB grant and loan       | €35.3m  |
| EBRD loan                | €29.7m  |
| Beneficiary contribution | €0.5m   |
| Other grants             | €0.9m   |
| Estimated investment     | €139.6m |
| Expected completion      | 2025    |

# PRIORITY 4 – Digital Transition

## Objective

Digital connectivity and access to digital infrastructures for citizens, businesses and education institutions with a focus on remote areas and to lower-income population.

## Key Components

- **Digital connectivity and access to digital infrastructures**, with particular focus on remote areas and to lower-income population.
- Investments in digital infrastructures should take into account the need to ensure infrastructure resilience and energy efficiency and the security of digital infrastructures should be improved;
- Access to **digital infrastructures for citizens, businesses and for education institutions**, (including collaborative digital environments).



Flagship 8 - Digital infrastructure

Serbia

### Rural Broadband Rollout Phase 2

|                          |         |
|--------------------------|---------|
| WBIF EU grant            | €34.4m  |
| EBRD loan (est.)         | €70m    |
| Beneficiary contribution | €1.5m   |
| Other grants             | €2m     |
| Estimated investment     | €107.9m |
| Expected completion      | 2025    |

# PRIORITY 5 – Private Sector

## Objective

MSMEs support across green and digital transition, sustainable agriculture, trade and financial inclusion as well as financial/financing diversification and business climate

## Key Components

- Green transition; Sustainable agriculture; Digital transition and innovation; trade and value chains within the region and with the EU; Financial Inclusion; financial and financing diversification and Business climate development.



Flagship 9 · Competitiveness of the private sector

**SMEs Go Green Programme**

|                      |       |
|----------------------|-------|
| WBIF EU grant        | €25m  |
| EBRD loan            | €120m |
| Estimated investment | €145m |

ENERGY SUPPORT PACKAGE



# PRIORITY 6 – Human Capital

## Objective

Unleash economic growth potential. Focus on digitalization, renewable energy and energy efficiency in infrastructures.

## Key Components

- Investments in new and/or **upgraded facilities in the field of education** (from early childhood education to high-level education), **and health** complying with clean energy, environmental protection, disaster resilience, including to climate change impacts, sustainable infrastructures and digitalization.
- Investments have to be part of a country or regional education and health strategies and target **explicitly inclusion of disadvantaged groups**
- **Innovation Agenda for the Western Balkans.**



Serbia

### University Children's Hospital Tiršova 2 in Belgrade

|                          |         |
|--------------------------|---------|
| WBIF EU grant            | €36.4m  |
| CEB loan and grant       | €54.4m  |
| Beneficiary contribution | €73.6m  |
| Estimated investment     | €164.4m |
| Expected completion      | 2026    |

# EIP Implementation



## Economic and Investment Plan Endorsed Flagship investments 2020-2022

### Sustainable transport

- 1 Rhine-Danube Corridor: Demining the Right Bank of the Sava River
- 2 Kosovo\* - Serbia Road Interconnection: Peace Highway, Pristina - Merdare Section
- 3 North Macedonia - Bulgaria Rail Interconnection: Kriva Palanka - Border with Bulgaria Section
- 4 Serbia - Bulgaria Rail Interconnection: Niš - Dimitrovgrad Railway Line, Niš Bypass
- 5 Corridor X: Belgrade - Niš Railway Line, Stalać - Duris Section
- 6 Rhine-Danube Corridor: Removal of WWII German Sunk Vessels from the Danube, Prahovo Sector
- 7 Corridor X: Belgrade - Niš Railway Line, Paraćin - Medurovo Section
- 8 Corridor Vc: Samac - Doboj - Rječica Railway Section
- 9 Montenegro - Serbia Rail Interconnection: Bar - Vrbica Section
- 10 Jovanovac Interchange - Vukosavlje Interchange Motorway Section
- 11 Medakovo - Ozimice Motorway Subsection
- 12 Mostar South - Kvarč Tunnel Motorway Subsection
- 13 Kvarč Tunnel - Buna Motorway Subsection
- 14 Albania - Montenegro Rail Interconnection: Vorë - Hani i Hotit Section
- 15 Blue Highway: Tirana Bypass

### Clean energy

- 1 Vau i Dejës Floating Solar Photovoltaic Power Plant
- 2 Rehabilitation of Fierza Hydropower Plant
- 3 Solar4Kosovo - Photovoltaic Plant
- 4 Solar4Kosovo II - Solar District Heating in Pristina
- 5 Rehabilitation of Six Hydropower Plants Phase 3
- 6 Bogdanci Wind Park Phase 2
- 7 Oslovej 1 Solar Photovoltaic Power Plant
- 8 Oslovej 2 and Bitola Photovoltaic Power Plants
- 9 Reconstruction of Vlasina Hydropower Plant
- 10 Kostolac Wind Farm
- 11 Trans-Balkan Electricity Corridor: Serbia - Montenegro - Bosnia and Herzegovina 400 kV Interconnection
- 12 Advanced System for Remote Meter Reading
- 13 Regional Energy Efficiency Programme

### Environment & climate

- 1 Podgorica Waste Water Treatment Plant
- 2 Improvement of Waste Water and Water Supply Systems in the North of Montenegro
- 3 Skopje Waste Water Treatment Plant
- 4 Regional Waste Management System for Polog, Pelagonija, Vardar, Southwest and Southeast Regions
- 5 Construction of Patilula Sewage System

### Digital future

- 1 Establishment of Smart Labs Network of ICT Laboratories for the Pre-university Education System
- 2 Rural Broadband Rollout Phase 2

### Private sector

- 1 SMEs Go Green programme
- 2 Western Balkans Climate Programme
- 3 Green Finance for Inclusion

### Human capital

- 1 Improvement of Montenegrin Education Infrastructure
- 2 University Children's Hospital Tisova 2 in Belgrade

\* 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.

- 40 flagship investments.
- EUR 5.7 billion total investment
- EUR 1.8 billion in EU grants.

# CBC Programmes and the EIP

## Economic Investment Plan and Green Agenda

- not just investments and infrastructure
- transformational change in the society

## Cross-border cooperation

- important for projects of regional impact in all 6 EIP priorities

## Complementarity

- local CBC activities in border areas supplement major EIP initiatives at national and regional level

## Enabling

- CBC helps build local capacities, engine to generate new ideas, promote innovation



# Next steps?

- Ensure **alignment of CBC calls for proposals** to the priorities of the EIP and the Green Agenda
- Include EIP/Green Agenda topics in **trainings/capacity building** for CBC beneficiaries
- **Capitalization network** – contribution of CBC programmes to larger policy goals, including EIP and Green Agenda
- **Other ideas?**

# Thank you



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