



Delivering the Economic & Investment Plan for the Western Balkans

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The Economic and Investment Plan for the Western Balkans is an ambitious package designed to help the region:

- in its post-pandemic recovery;
- accelerate a green and digital transition;
- foster regional cooperation and convergence with the EU.

The Plan will help to deliver the wider EU Global Gateway initiative in the Western Balkan region. The Global Gateway is the EU's contribution for developing global infrastructure and supporting a green and digital transformation worldwide, as well as strengthening health and education systems and investing in youth.

Moving from plan to action: first €3.2 billion investment package approved

In February 2022, a first substantial package of 21 projects* supporting the Plan's investment flagships was approved. This is an important step in turning the commitments into concrete action on the ground. Further project packages will come at later junctures.

- **21 projects**
- **€1.1 billion** in EU grant funding**
- **€3.2 billion total investment value** – with bilateral contributions from EU Member States and Norway, and favourable loans from international financing institutions.
- Investment channelled through the **Western Balkans Investment Framework** – an EU-led multi-donor investment platform and the main financial vehicle for the implementation of the Economic and Investment Plan.

** Funded through the Instrument for Pre-Accession Assistance 2021-2027 (IPA III)

Economic and Investment Plan - Key Facts



The **Economic and Investment Plan** foresees **up to €30 billion** for **ten flagship investments** in the areas of sustainable transport, clean energy, environment and climate, digital future, the private sector and human capital.



This consists of **€9 billion in EU funding**, including €1 billion in guarantees to help reduce both the cost of financing for public and private investments and the risk for investors. This will mobilise an additional €20 billion of investments over the next years.

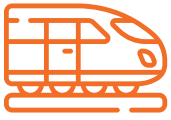


Good governance and **transparency** are guiding principles. Investments go hand in hand with **reforms**, including in **rule of law** and **anti-corruption**.

* The package includes the investment projects submitted by Bosnia and Herzegovina, of which two are on the territory of Republika Srpska for road and rail connections along Corridor Vc. The European Commission intends to sign the respective contribution agreements for these two investments, worth €600 million, only after the return to the full functioning of state institutions.

Overview by sector

The 21 projects have been identified in close cooperation with partners in the region, bringing much needed investment in following priority sectors of the Economic and Investment Plan.



SUSTAINABLE TRANSPORT

Better and greener transport links within the region, and with the EU, will drive growth and bring wider benefits. The selected projects involve the construction of major road and railway connections in the region, including the Mediterranean, East-West, and Rhine-Danube corridors, and the rail corridor between Skopje in North Macedonia and the Bulgarian border. This will:

- facilitate regional trade and links to the Trans-European Transport Networks
- reduce travel times and environmental footprint
- spur sustainable growth and create jobs



IN FOCUS

Upgrades on the Peace Highway between Kosovo and Serbia*

An investment of €205 million has been approved to upgrade a 27 km-long stretch of road to motorway standards between Priština in Kosovo and the administrative border with Serbia at Merdare. This is part of the road connection known as the 'Peace Highway,' which links Niš in Serbia to Merdare and Priština, and is a strategic priority route for extending the Trans-European Network to the Western Balkans. This will bring faster and safer travel for cargo and passenger transport alike.

Extending Rail Connections between North Macedonia and EU

Construction of the final stretch of the rail corridor between Kumanovo in North Macedonia and Bulgaria will get underway with a €412 million investment. Electrification systems will also be installed on the entire railway line. This project will create over 200 new jobs, slash travel time, decrease pollution, and facilitate trade across the region and with the EU.



CLEAN ENERGY

Decarbonising energy systems is critical for achieving the EU's long-term aim of carbon neutrality by 2050. Selected projects include the construction of solar power plants and the Trans-Balkan Electricity Transmission Corridor. This will:

- drive the renewable energy transition and provide alternatives to traditional coal
- lower emissions and reduce air pollution
- help ensure security of supply

IN FOCUS

First Floating Solar Power Plant in Albania

This €12 million investment project will install a floating solar photovoltaic power plant at the Vau i Dejës reservoir. This will be the first application of 'pure-floats' technology in the Western Balkans, with significant potential for replicating on other reservoirs in Albania and across the region. The plant is expected to produce over 18 GWh of electricity and displace 8,700 tonnes of CO₂ annually.

Extending the Trans-Balkan Electricity Corridor

A €40.8 million investment will be used to construct 84 km of double overhead transmission line from Bajina Bašta in western Serbia to Bosnia and Herzegovina and Montenegro. This project is part of the Trans-Balkan Power Corridor development, connecting electricity transmission systems from the regional partners to the EU. This will contribute to the development of a functional regional market and the clean energy transition.

* 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.



ENVIRONMENT & CLIMATE

Investment in modern wastewater plants is key for reducing pressures and risks to human health and the environment. Selected projects involve the construction of infrastructure for collecting and treating wastewater. This will:

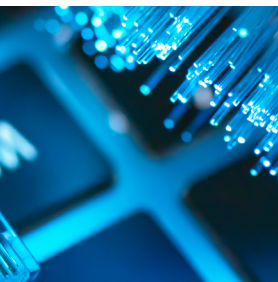
- improve water quality in rivers, lakes and coastal waters
- bring plants into line with EU standards
- improve people's health and quality of life



IN FOCUS

Upgrading Wastewater Treatment in Montenegro

A €76 million investment for the construction of a waste water treatment plant in the Montenegrin capital, Podgorica, will ensure that treated waste water is discharged in line with EU standards. This will safeguard people's health and bring environmental benefits to surrounding rivers and lakes.



DIGITAL FUTURE

Digitalisation touches on every aspect of our lives today, from transport to healthcare to education. In the post-COVID-19 world, strong digital connections have become even more essential. The selected project in this area involves the development of rural broadband infrastructure. This will:

- accelerate universal digital access
- strengthen secure digital connections

IN FOCUS

Expanding Rural Broadband in Serbia

Building on the rural broadband roll-out launched in 2020, this €105 million programme will pave the way for fast broadband in schools and public institutions in poorly connected areas. This will help to bridge the digital rural-urban divide, and encourage private sector development in the rapidly growing ICT sector in Serbia.



HUMAN CAPITAL

Investing in hospital and health systems is an investment in reducing inequalities, which have been exacerbated by the COVID-19 pandemic. Support in this area will:

- modernise diagnostic and treatment technologies
- improve access to healthcare
- increase hospital capacity



IN FOCUS

New Facilities for Children's Hospital in Serbia

A new hospital building in the children's clinic in Belgrade will be constructed thanks to an investment of €116.5 million. This will increase its capacity, enabling the provision of new diagnostic and treatment technologies, as well as catering to complex paediatric needs of neighbouring countries.