

## European Investment Bank Operations in the Western Balkans

# EIB Group: the EU bank



We signed **854 operations** in 2018  
We invested **EUR 8bn+** outside the EU in 2018

Shareholders: **28 EU Member States**  
Natural financing partner for the **EU institutions** since 1958

## Supporting our priorities....



Innovation



Environment

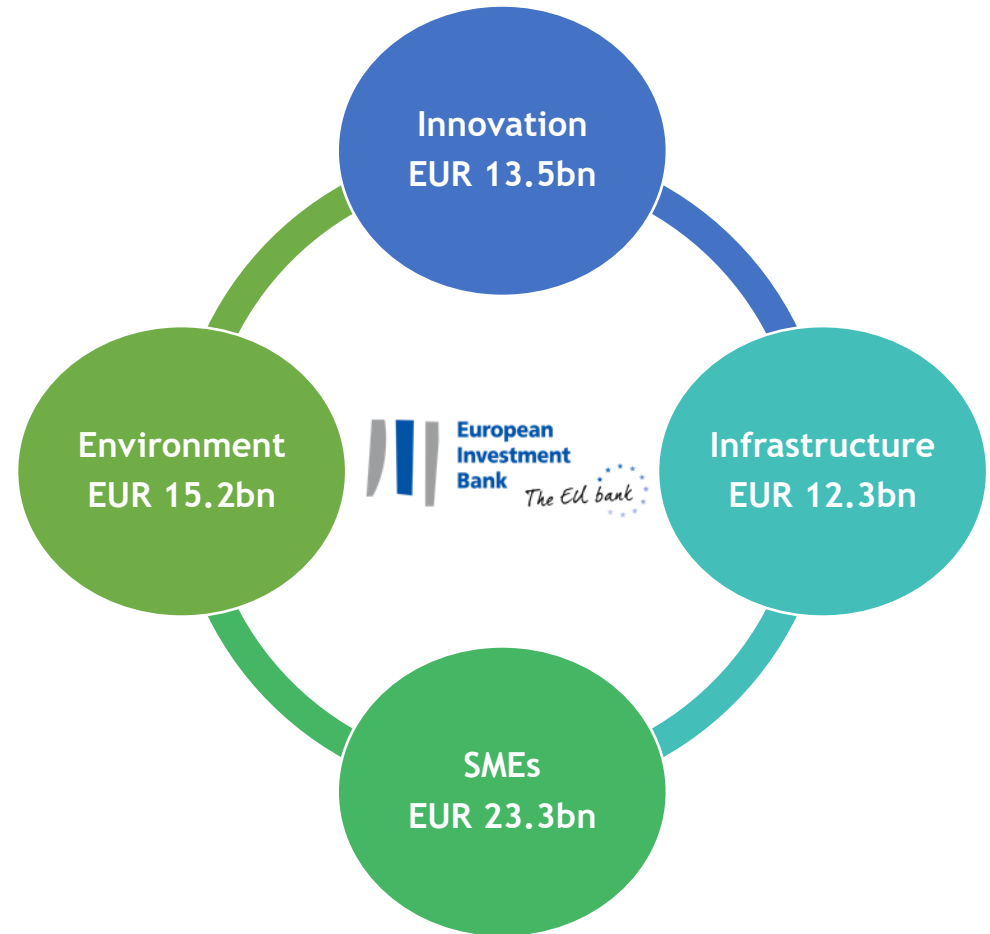


Infrastructure



SMEs

## With investment that matters



Total EIB Group financing signed in 2018:

# EUR 64.2bn

# EIB in the Western Balkans



- Supporting **infrastructure**, **SMEs**, **innovation** and **climate action**, in line with EU Accession Policy and the Berlin Process
- **Advisory/Technical Assistance**
- Strong cooperation with **public authorities**, **local banking sector** & partner **International Financial Institutions (IFIs)**
- Combination of **EIB funding** and **EU grants**:
  - *Own resources;*
  - *External Lending Mandate / Economic Resilience Initiative (ERI);*
  - *Western Balkans Investment Framework (WBIF)*

Country	EIB Signatures	EIB Signatures
	2018	2008 - 2019
Albania	EUR 105m	EUR 224m
Bosnia and Herzegovina	EUR 242m	EUR 1.65bn
Kosovo*	EUR 80m	EUR 219m
Montenegro	EUR 141m	EUR 719m
North Macedonia	EUR 100m	EUR 645m
Serbia	EUR 418m	EUR 4.19bn
<b>TOTAL</b>	<b>EUR 1.09bn</b>	<b>EUR 7.65bn</b>

\*This designation is without prejudice to positions on status, and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo Independence Declaration

**As of end 2018, the EIB has provided over 7 EUR bn financing to the Western Balkans, out of which 30% was dedicated to Transport projects (Roads & Railways)**

# ERI and WBIF in the Western Balkans



## Economic Resilience Initiative (ERI)

ERI aims at strengthening **economic growth** and **social cohesion** in the region to help the most vulnerable populations.

ERI creates **job opportunities** and **generates resources** for further public investment, pivotal for long-term **economic resilience** and **stability** which **support EU accession**.

## EUR 2.8bn

*of signatures under ERI in the  
Western Balkans and Southern Neighbourhood  
(by end 2018)*

## Western Balkans Investment Framework (WBIF)

In collaboration with IFIs, **WBIF** is a regional blending facility supporting **EU accession** and **socio-economic development**.

In 2018, WBIF provided financing and technical assistance for projects in **energy, environment, social, transport, and digital infrastructure** sectors.

2018	WBIF (all IFIs)	WBIF (EIB as lead IFI)
Grants (IG & TA)	EUR 277m	EUR 97m (16 grants)



# Flagship ERI projects in the Western Balkans



## Serbian Inland Waterway Infrastructure

We provided a **EUR 100m** loan and a **EUR 2.7m** technical assistance grant to improve the **safety** and **efficiency** of **water transportation** along the **Danube and Sava rivers** in Serbia.

The project will improve services to the local and regional industries. It will also **support growth, job creation** and **enhance regional connectivity**.



## Cooperation with Raiffeisen in Bosnia and Herzegovina

We provided **EUR 25m** to Raiffeisen Leasing Bosnia and Herzegovina to finance **SMEs** and support projects in tourism, agriculture, healthcare, education, and the environment.

The operation will **promote youth employment** under the European Youth Employment and Training for the Western Balkans (EYET) initiative. The loan will **support c. 4,450 jobs** (including existing & new jobs) and **c. 445 SMEs**.



# Our Activity in Each Country in the Transport Sector



*Montenegro's first railway upgrade in over 40 years was supported by the EIB*

# EIB in Albania

- Active in Albania **since 1995**
- **EUR 224m** of signatures **between 2008-2018**
- We have **helped build key infrastructure** including **EUR 18m** for the construction of the **Vlore motorway bypass** and **EUR 35m** for the 22km motorway bypass around Fier which will **improve travel, safety** and **environmental conditions**
- We are investing **EUR 37.5m** into the rehabilitation of **primary** and **secondary roads** to **improve travel connectivity** and **support economic growth** and **social cohesion**



**In 2018**  
**EUR 105m signed**



We are **financing** the **Trans Adriatic Pipeline (TAP)**, which stems from the Greek/Turkish border to Italy through **Albania**.

**TAP** will improve **energy security** and **diversification** sustaining the transition towards **decarbonisation** in **Albania** and wider **Europe**

**Up to 10bn m3**

**of gas will be transported yearly**



# EIB in Bosnia and Herzegovina



In 2018  
EUR 242m signed

- Active in Bosnia and Herzegovina **since 1977**
- **EUR 1.65bn** of signatures **between 2008-2018**
- In **2018**, we have signed **EUR 150m** loan for Corridor VC: **EUR 50m** in Zenica North connecting the Croatian coast to Budapest through BiH and **EUR 100m** for the south of Mostar. In addition a **WBIF Investment Grant of EUR 19.4m** was provided to co-finance the construction of a 2.4 tunnel in Zenica.
- In **2018**, we have signed **EUR 47m** loan for the Construction of a 72km 2x2 toll motorway between Banja Luka and Doboј connecting to Corridor Vc in Republika Srpska. Furthermore, a **WBIF Investment Grant of EUR 6.8m** was signed to support the construction of border crossing facilities and a cross-border bridge over the River Sava, in Gradiska.



*We supported **Corridor VC**, connecting Budapest and Croatia to the Adriatic coast **through Bosnia and Herzegovina**. The project will help **facilitate trade, develop tourism, and promote regional cohesion***

Signed in  
**2018**

ProCredit Loan for SME and Other COP Objectives BA (EUR 5m)

Banja Luka-Doboј Motorway B (EUR 47m)

ISP Loan for SMEs & Priority Projects III B (EUR 25m)

Corridor Vc Zenica North (EUR 50m)

Corridor Vc Mostar South (EUR 100m)

RLBH Loan for SMEs Mid-Caps & Priority Projects II (EUR 15m)

# EIB in Kosovo\*



In 2018  
EUR 80m signed

- Active in Kosovo\* **since 2007**
- **EUR 219m** of signatures **between 2008-2018**
- In 2018 a **EUR 80 million** EIB loan to Kosovo was signed for the construction of a new 30 km single carriageway motorway on Route 6b between Peja and Kijeve linking Kosovo's capital Pristina to the border with Montenegro, hence improving regional transport integration and the development of strategic connections with the neighbouring countries.
- Alongside the EIB financing, a **EUR 3,2m TA grant** under the Western Balkan Investment Framework (WBIF) complemented by a **EUR 1m grant** under the EIB's Economic Resilience Initiative (ERI), were given to support the preparation and implementation of the project.



We provided a **EUR 80m** loan and a **EUR 1m technical assistance grant under ERI** to construct a **30km motorway** between **Peja** and **Kijeve** to help improve **regional transport integration**

# EIB in Montenegro



- Active in Montenegro **since 1977**
- **EUR 719m** of signatures **between 2008-2018**
- **In 2018**, we financed **EUR 40 million loan** for the rehabilitation and upgrading of five main roads with a length of around 180 km under the “Main Roads Rehabilitation Program” aiming to improve road conditions and safety, thereby facilitating trade and regional integration.
- We provided the **first technical assistance grant (EUR 1.5m)** in the region under **ERI** to **upgrade five main roads in Montenegro**. The project will **improve road safety** and help **facilitate trade** and **regional integration**

**In 2018**  
**EUR 140m signed**



*We provided **EUR 40m** to improve **180km** of roads in Montenegro*

Signed in  
**2018**

IDF MBIL IV-A (EUR 100m)

Main Roads Rehabilitation Program (EUR 40m)

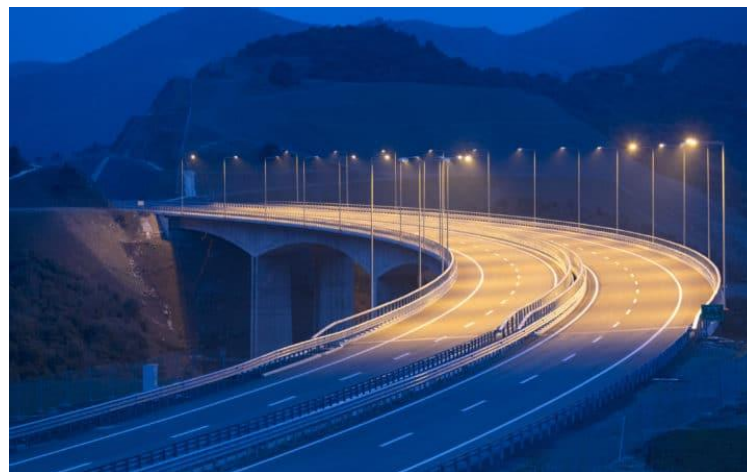


# EIB in North Macedonia



In 2018  
EUR 100m signed

- Active in North Macedonia since 1977
- EUR 645m of signatures between 2008-2018
- In 2011 and 2016 we have supported the construction of **Corridor X**, which passes through Austria, Slovenia, Croatia, Serbia, **North Macedonia**, and Greece. In North Macedonia, this includes **EUR 100m** for a 28km motorway section between Demir Kapija and Smokvica in the south of North Macedonia to improve regional connectivity.
- In 2018, we provided **EUR 100m** to the Macedonian Bank for Development Promotion to support SMEs and Mid-Caps which constitute the backbone of the country's economy.



*We provided **EUR 100m** for the construction of **Corridor X**, which passes through Austria, Slovenia, Croatia, Serbia, North Macedonia, and Greece.*

# EIB in Serbia



In 2018  
EUR 418m signed

- Active in Serbia **since 1977**
- **EUR 4.3bn** of signatures **between 2008-2019**
- In 2019, the EIB has signed a **EUR 100m** loan to finance the construction of the new highway linking Niš and Merdare, known as the “Highway of Peace”, connecting Niš in Serbia with Priština.
- The project is also supported by a **EUR 40.6m** Investment Grant from the Western Balkans Investment Framework and represents a concrete step towards regional cooperation and reconciliation. An additional **EUR 7.4m** WBIF TA grant has been given for project preparation. It is expected that the project will be completed by the end of 2024.



*We invested **EUR100m** for the construction of the new highway linking Niš and Merdare, enabling connectivity in the region.*

Signed in  
**2018**

EB Loan for SMEs Mid-Caps & Other Priorities IV (**EUR 60m**)  
SGRS Loan for SMEs Mid-Caps Other Priorities (**EUR 50m**)  
Railway Nis-Dimitrovgrad (**EUR 134m**)  
ISP Loan for SMEs and Other Priorities IV C (**EUR 30m**)  
Air Traffic Control Upgrade (**EUR 45m**)  
Serbian Inland Waterway Infrastructure (**EUR 100m**)

# Best practice - the EIB's experience

- **Road Safety Audits** needs to be followed up during
  - Draft design
  - Detailed design
  - Before completion
  - During early operation.
- **Transparent decision-making** on RSA recommendations by the competent authority.
- **Persons responsible for road safety** in design, supervision and contractor's teams.





# EIB's approach to road safety

➤ **Directive 2008/96/EC and 2004/54/EC**

We apply the directives on TEN T projects.

➤ **EIB Transport Policy**

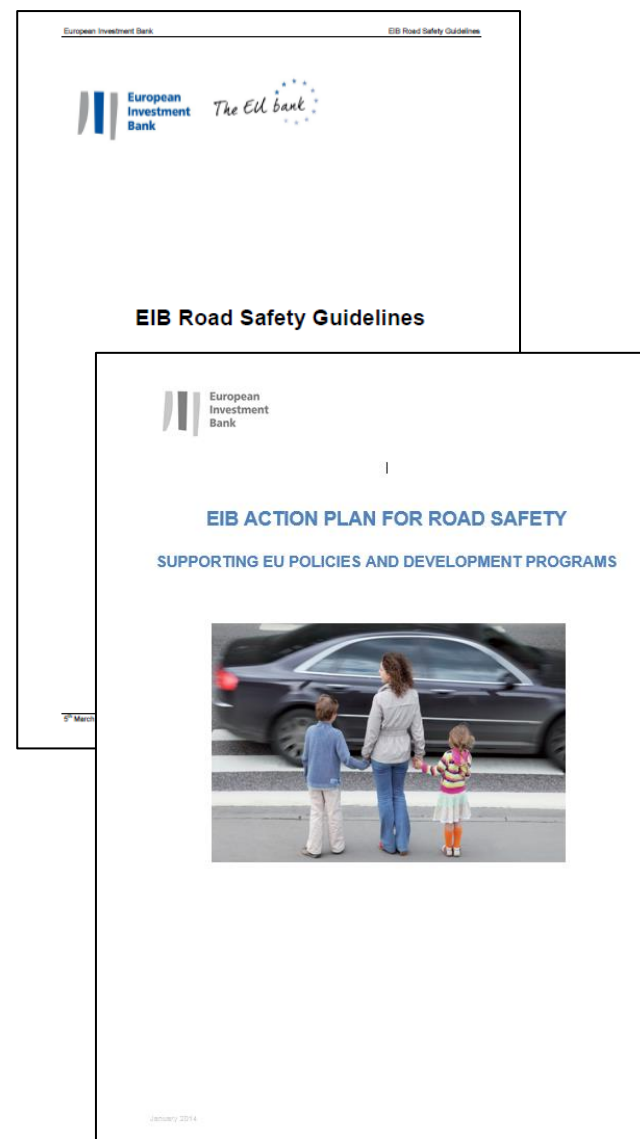
We use the principles of directive 2008/96/EC on road projects outside the EU.

➤ **EIB Road Safety Guidelines**

We mainstream road safety and good practice on projects on all roads - *where possible*.

➤ **EIB Road Safety Action Plan**

We strive to scale up lending, blending and advising in support of road safety



# EIB's approach to road safety

## Lending within the EU

Financing of projects and programmes with sufficient volume

- EUR 25 million capital investment +
- Framework Loans with multiple schemes.

## Lending, blending and advising outside the EU

- Co-financing and cooperation with other IFIs
- Opportunities for grants for TA and soft components, such as
- Better design standards, capacity building, awareness and training.

## EIB's challenges in transport projects

- **Delays in project implementation due to:** lengthy procurement procedures, low absorptive capacity of promoters that leads to poor preparation of works contract documents and/or poor performance of contractors.
- **Poor project Preparation due to:** inadequate budget resources e.g. major infrastructure projects in the transport sector typically require from 1-2% of the project cost to prepare feasibility studies, design, environment and social management and tendering.
- **Procurement:** contracting authorities often demonstrate weak capacity in the procurement of consulting services and works.



## Going Forward

- Enhanced focus on the acceleration of implementation through e.g. business process reform in promoters, capacity building in promoters and industry.
- Reducing delays and training staff
- Identifying and disseminating good working practices and publicizing good/bad behavior thereby to establish healthy competition and encourage promoters to reform the way they work.
- Resolve funding gaps: grant resources under the Western Balkan Investment Framework, national IPA programmes and other sources are a welcome contribution to alleviate the situation but more resources for consulting services are required.

## Examples of TA Grants for project preparation of EIB transport projects

- **EUR 4.8m** WBIF TA for Nis-Merdare Highway **SRB: Detailed Design** (approved December 2017, ToR completed)
- **EUR 5m** WBIF TA for Corridor Vc Počitelj - Zvirovići Subsection **BIH: Supervision of Works** (approved June 2018)
- **EUR 0.5m** WBIF TA for Comprehensive Network (Road R6b) **KOS: Detailed Design** (approved December 2017)

## Our pipeline...

- **Pristina inner Ring Road in Kosovo**
- **Corridor VIII (road) in North Macedonia**
- **Belgrade transport infrastructure (e-buses) in Serbia**
- **Corridor VC totaling about 12 km between Poprikuse-Nemila and Tarcin - Ivan in central Bosnia & Herzegovina**

# EIB in the Western Balkans

## Our Team

EIB Headquarters in Luxembourg

EIB Representative Office in Belgrade

EIB Representatives in Tirana and Sarajevo  
*(based within EU Delegations)*

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## EU Candidate Countries

Albania

Montenegro

North Macedonia

Serbia

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## EU Potential Candidate Countries

Bosnia and Herzegovina

Kosovo\*



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