Western Balkans Investment Framework

Overview of WBIF Activities and Achievements to Date
What is the WBIF?

The WBIF supports socio-economic development and EU accession across the Western Balkans through the provision of finance and technical assistance for strategic investments, particularly in infrastructure, energy efficiency and private sector development. It is a joint initiative of the EU, International Financial Institutions, bilateral donors and the governments of the Western Balkans.

WBIF Operating Framework - Stakeholders

<table>
<thead>
<tr>
<th>Eligible Beneficiaries</th>
<th>External Financiers</th>
</tr>
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<tbody>
<tr>
<td>Albania</td>
<td>European Commission</td>
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<tr>
<td>Bosnia and Herzegovina</td>
<td>International Financial Institutions</td>
</tr>
<tr>
<td>former Yugoslav Republic of</td>
<td>Bilateral Donors and Financial Institutions</td>
</tr>
<tr>
<td>Macedonia</td>
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<tr>
<td>Kosovo*</td>
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<td>Montenegro</td>
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<td>Serbia</td>
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WBIF Operating Framework – Application Process

**Beneficiaries**
- National and regional projects

**Resources**
- Bilateral donors
- EU IPA
- IFI grants

**Joint Grant Facility**
- Technical Assistance
- Investment grants
- Interest rate subsidies
- Assistance to financial intermediaries

**Project Preparation**
- Feasibility studies
- Designs
- Tender documentation
- Supervision
- Assistance to PIUs

**Joint Lending Facility**
- Loans
- EC IPA
- Government funding

**WBIF Operating Framework – Governance Structure**

**Steering Committee**
- Provides strategic guidance and advice and approves grants

**Project Financiers' Group**
- Donors and IFIs screen and assess requests for financial support and submit proposals to the SC

**NIPACs**
- Prioritises submissions from project promoters and submits applications to PFG

**WBIF Secretariat – DG Enlargement**
Supports the administration of the WBIF

**Technical Assistance**
Infrastructure Project Facilities I, II and III
IFI Coordination Office
Select achievements – WBIF grants to date

- 137 investment projects supported by WBIF
- €280m grants allocated to approved projects
- 33 grants worth €51.4 million allocated to transport sector
- More than €2.2 billion € loans signed to date
- WBIF pipeline contains more than 13 billion € total estimated investments

Distribution of grants by TYPE

By number
- TA
- Investment grant
- Interest rate subsidy
- Financing facility

By value
- TA
- Investment grant
- Interest rate subsidy
- Financing facility
Distribution of grants by SECTOR

No of grants by sector

Value of grants by sector

Tracking development of the WBIF pipeline

- Service completed
- Loan agreements signed
- Construction
Growth in signed loans by sector
(€ billion)

Data for April 2011, 12, 13

Growth in total estimated investment of WBIF pipeline
(€ billion)

Data for April 2011, 12, 13
WBIF - Key Issues Arising

- Immense scale of financing required to realise investments
- Limited fiscal space available for public financing
- Need to leverage private capital
- Need to improve overall investment climate
- Ensure priority investments are supported and are in line with EU accession process
- Ensure that publicly financed grants target market failures and don’t crowd out private finance

IPA II 2014-2020

- More coherent and strategic approach - assistance to be provided on the basis of countries’ sectoral development strategies
- Type and intensity of interventions to be tailored to individual needs and capacities
- More results orientated with a focus on expediting the structural reform processes
- Expected total budget for all IPA countries €11.5 billion over 7 years
- Realising socio-economic investments will be a priority
Sources of Information on WBIF

- Website – www.wbif.eu (link to http://www.wbif-tpf.eu/)
- WBIF annual report (usually published in March)
- Bi-annual Monitoring Report
- Forthcoming compendium of WBIF projects
- Various policy & strategy papers
- All reports available for downloading from website

Overview of the WBIF Pipeline in Transport
WBIF Pipeline in transport

- 31 grants awarded
- 50% road and 50% rail
- Total estimated investment €5.4 billion
- Loans signed to date €1.6 billion

SEETO Comprehensive Network

- One layer multimodal network, which provides high level regional interconnections and connections of the Regional Participants with EU (TEN-T)
- Currently, the SEETO Comprehensive Network consists of:
  - 6,554 km of roads
  - 4,807 km of railway lines
  - 4 rivers
  - 10 sea ports
  - 17 airports
  - 8 inland waterway ports
SEETO Comprehensive Road Network

SEETO Comprehensive Rail Network
SEETO Network Investments

<table>
<thead>
<tr>
<th></th>
<th>Total Completed Investments (until 2011)</th>
<th>Total finance secured / ongoing investments (until 2011)</th>
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<tbody>
<tr>
<td>Road network</td>
<td>4.9 billion €</td>
<td>2.6 billion €</td>
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<tr>
<td>Rail network</td>
<td>321.8 million €</td>
<td>179.6 million €</td>
</tr>
<tr>
<td>Airports</td>
<td>318.8 million €</td>
<td>125 million €</td>
</tr>
<tr>
<td>Inland waterways and river ports</td>
<td>23.7 million €</td>
<td>-</td>
</tr>
<tr>
<td>Seaports</td>
<td>192.4 million €</td>
<td>356.8 million €</td>
</tr>
</tbody>
</table>

Source: SEETO Comprehensive Network Development Plan
Five Year Multi Annual Plan 2013

Corridor Vc -Motorway
IFI's: EBRD and EIB

- Corridor Vc is Bosnia’s main north – south transport link. EBRD and EIB are providing loans for constructing sections of motorway.
- Total investment €3.5 billion
- Secured investments for lots under construction of €500 million
Reconstruction of railway sections: Sarajevo – Podlugovi and Doboj-Maglaj

- Part of pan European Corridor Vc. Last track overhaul was in 1966 and traffic is growing.
- The purpose of the two studies is to investigate the feasibility of the proposed rail overhaul option with economic justification and to prepare the main design - two phases:
  - Phase 1: Feasibility Study
  - Phase 2: Main design
- Sarajevo-Podlugovi: ongoing
- Doboj-Zenica: ToR development

Albanian Railways network: Infrastructure and Signaling Improvement Project

- The Albanian railway network can only be useful for the country’s economy, if tracks and safety systems are restored and upgraded.
- Utilization of the network must considerably increase.
- Proposed infrastructure improvement includes:
  - Earth works (cuttings, embankments, drainage, vegetation)
  - Civil and structural improvements (track, bridges, tunnels, other structures, stations)
- Proposed improvements
- Proposed signaling: a flexible and expandable system architecture to be implemented in smaller steps, which will later be integrated in EU systems.
Modernisation of the railway line Trupale-Presevo-Border of the FYROM, Serbia

- Part of the Pan-European Corridor X
- 166.6 km long, mostly single track
- Poor condition due to lack of maintenance (last overhaul being 30 to 50 years ago)
- Decreased traffic during recent years due to the poor condition of the line

Five strategies considered for the modernisation of the line:
- Intervention and rebuilding of the worst points on the line
- Overhaul of the whole line
- Overhaul of the whole line with upgrading of some sections (selected scenario)
- Overhaul of the whole line, with increase of maximum speed to 160 km/h
- Construction of new double track high speed line

How WBIF might contribute

- Success in PPP requires careful project preparation
- WBIF could provide grants to undertake planning and project documentation
- Beneficiaries submit the applications so they need to be informed and persuaded
WWW.WBIF.EU

Thank You!!