Connecting projects with investment funds

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I. Background to the WBIF
Why WBIF?

**Challenges faced in Western Balkans**
- Macroeconomic situation
- Transition and accession processes
- Need for technical assistance and capacity building
- Access to finance
- Lack of coordination and limited regional cooperation

**WBIF facilitates**
- Accession Pathway
- Regional and sectoral strategies
- Technical and financial capacity for investment
- Beneficiary Ownership and Donor coordination
Innovative financing initiative (2009)

• Motivated by the need to align strategies and match projects with funds for investment,

The WBIF pools grant resources in order to leverage loans for the financing of priority infrastructure and socio-economic development

• Making sure that beneficiaries have the appropriate tool for smart, sustainable and inclusive growth, in line with Europe 2020, in key socio-economic sectors:

→ Energy, Environment, Social Sector, Transport and Private Sector Development
Who is eligible?

- Albania
- Bosnia and Herzegovina
- Croatia
- Kosovo*
- former Yugoslav Republic of Macedonia
- Montenegro
- Serbia

Priority is given to Regional Projects

*This designation is without prejudice to positions on status, and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo declaration of independence.*
Resources, Process and Stakeholders

- Grants
  - used for preparing strategies and projects, accelerating existing loans or enabling projects by bridging a funding gap
  - Grant contributors:
    - European Union – IPA
    - CEB, EBRD, EIB
    - Bilateral donors

- Loans
  - the IFI supporting the project disburses the loan so that investment needs are met, they are:
    - EBRD
    - CEB
    - EIB
    - World Bank
    - KfW
Examples of use of grants

**Investment Preparation**
- Support for sectoral studies
- Feasibility studies
- Environmental Impact Assessments
- Technical Design

**Project Implementation**
- Project implementation units
- Co-financing

**Financing facilities**
- Financing instruments (EDIF and Energy efficiency)
From application to investment

- **Calls for Proposals**
- **Project Identification**

**Screening**: EC verifies eligibility and consistency with the EU Pre-Accession policies.

- **Assessment**: Lead IFI verifies long-term sustainability, technical and financial quality.

- **Strategy definition**
- **Operations approval**
- **Supervision of action**
II. Results to Date
Number of grants by sector

- Energy: 37
- Environment: 42
- Social: 27
- Transport: 31
- Private sector development: 2
Number of grants by beneficiary:

- BiH: 29
- SER: 25
- ALB: 24
- MNE: 17
- REG: 13
- FYROM: 12
- KOS: 12
- CRO: 7
Joint Lending Facility – signed loans

- € billions
- 2010
- 2011
- 2012

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Signed loans by sector in million €

- Energy: 98 million €
- Environment: 297 million €
- Social: 303 million €
- Transport: 1634 million €
Growth of WBIF pipeline

- **2010**: €6.2 billion
- **2011**: €8.5 billion
- **2012**: €11.7 billion

Total estimated investment in billions from 2010 to 2012.
Progress towards construction...

- Number of Projects – over 130
- Signed loans - 46
- Completed preparatory studies - 35
- Tender/construction - 28

- €267.7 million
- €2.3 million
III. WBIF and the challenges in the Western Balkans
How is WBIF supporting the Western Balkans?

Providing a coordinated framework for the implementation of priority socio-economic investments in the Western Balkans, specifically:

- Assists countries in aligning their national or regional policy strategies with the EU Pre-Accession strategy, working towards accession.

- Enables countries to overcome some of the challenges aggravated by the current crisis, especially fiscal space and prioritisation of investment.

- Acts as a bridge between investment needs and financial institutions to expedite priority projects that promote growth and development.
How is WBIF supporting the Western Balkans (cont.)?

• Provides a valuable framework for cooperation and coordination between beneficiary countries, the EC, IFIs and bilateral donors.

• Encourages regional cooperation as well as cooperation with the wider Europe.

Therefore, not only WBIF provides financial assistance, through the blending mechanism, but it also provides the know-how and expertise in order to maximise the benefits from these investments at the national, the regional and European level.
Challenges for the WBIF

- Difficult global economic climate
- Mixed progress in the enlargement process
- Shifting attention from bilateral donors

Therefore, the WBIF needs to evolve and adapt:

- Increase its emphasis on expediting investments in the current pipeline.
- Greater focus on priority investments of regional importance.
- Explore innovative financing mechanisms to complement traditional loans.

Based on success to date, WBIF will continually evolve so as to ensure that the benefits of these priority socio-economic investments are delivered to all in the Western Balkans.
Some Practical Information

• Overall information on WBIF
  → www.wbif.eu

• Information on project identification & projects under development
  → www.wbif-ipf.eu

• Contact details for NIPACs:
  → www.wbif.eu/National+IPA+Coordinators

• Template for project applications
  → www.wbif.eu
Thank you
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