



2014 | ANNUAL REPORT

WESTERN BALKANS INVESTMENT FRAMEWORK

Western Balkans
Investment Framework **WBIF**

5 YEAR
ANNIVERSARY

€307.8 Million Grants

Enlargement Croatia Bosnia and Herzegovina former Yugoslav Republic of Macedonia Kosovo* Serbia

Energy

Climate

Change

159

Projects Social Transport

Montenegro Albania Environment

Private Sector

Development

38 Projects

Under Construction **€13**

Billion In-

vest-

ments €2.8

Billion

Loans Signed

5 Projects Fully Operational

Socio-economic Development

Celebrating WBIF's 5th Anniversary

08/12/2014

FOREWORD



I am pleased to introduce the fifth annual report of the Western Balkan Investment Framework (WBIF). Over the years, the WBIF has become a crucial element of the European Union's enlargement strategy and a successful forum of cooperation between national and international stakeholders to identify, develop and implement strategic infrastructure investments.

The EU's enlargement strategy focuses on two main areas: democracy and governance and competitiveness and growth. Within this strategy, the WBIF will continue to help the Western Balkan countries address the significant challenges they face in the areas of economic growth, competitiveness and employment at a time of fiscal constraint.

Creating the conditions for economic growth and job creation as well as increasing competitiveness will necessitate sustained and considerable investment in areas such as energy and transport networks as well as environment and social infrastructure. Financing such investment requires ever more coordinated efforts from national budgets, EU grant funding, IFI loans and, increasingly, private sector participation.

The WBIF is uniquely positioned to drive this coordination effort and help bring these infrastructure projects to fruition. The changing economic environment however requires an evolution of WBIF's operations with an increased sector focus and a strategic approach based on priority investments and strong involvement of national administrations.

I welcome the declaration of Western Balkans leaders in Berlin in August 2014 on the need for increased regional interconnectivity. The WBIF will contribute to this process by prioritising support for such regional projects.

Finally, I would like to thank the WBIF beneficiaries as well as the WBIF financing partners and investors for their contributions and cooperation to the success of our joint endeavour; the fostering of economic development and regional cooperation on the path to EU accession.

Johannes Hahn

*European Commissioner for European Neighbourhood
Policy and Enlargement Negotiations*



CONTENTS

Foreword	3
1. The WBIF and EU Enlargement	5
2. What is the WBIF?	6
2.1 Background and History	6
2.2 WBIF and IPA II	7
3. WBIF Governance and Organisation	8
4. WBIF 2014 Highlights	9
5. WBIF at a Glance	10
6. WBIF Operations in 2014	12
6.1 Overview	12
6.2 Portfolio Review	13
6.3 Sector Review	13
6.4 Progress in the Implementation of the Grants	15
6.5 Joint Lending Facility Overview	15
Appendix 1 - Grants Approved in 2014	19
Appendix 2 - Summary of WBIF Operations to Date	20

1. THE WBIF AND EU ENLARGEMENT

The successful Enlargement policy has seen membership grow from the initial 6 to 28, including through a historic expansion in 2004/2007 marking the re-unification of Europe after decades of division. The integration of the countries of Central and Eastern Europe over the past decade has shown that enlargement benefits the EU as a whole and allows it to be better positioned to face global challenges.

In welcoming Croatia as its 28th Member State on 1st July 2013 and in mediating a ground-breaking agreement between Serbia and Kosovo*, the European Union has shown both its continued commitment to the Western Balkans region and its renewed stability and transformation powers. The commitment was further demonstrated in 2014 with the first EU-Serbia Intergovernmental Conference; the granting of candidate status to Albania; and the initialling of the Stabilisation and Association Agreement between the EU and Kosovo*.

The accession process requires substantial reforms and investment from candidate and potential candidate countries. In 2009, the EU pooled resources with international financial institutions, donors and the governments of Western Balkans countries to create the Western Balkans Investment Framework (WBIF), a regional tool to support the reform process and ultimately EU enlargement.

The WBIF supports socio-economic development and EU accession across the region through the provision of technical assistance and financing grants for strategic projects in the fields of environment, energy, transport, social infrastructure and private sector development. The WBIF seeks to maximise the impact of its grant financing by joining forces with financial institutions providing loans to the projects it supports. The WBIF receives allocations from the European Commission's Instrument for Pre-Accession (IPA), bilateral donor contribution as well as IFI grants and loans.

For the period 2014-2020, the WBIF will benefit from increased IPA contributions, compared to the 2009-2013 period, in order to continue the provision of technical assistance to eligible projects and increase its project co-financing activities. Following a reform of the IPA instrument, prepared in partnership with the beneficiaries, the WBIF will encourage best practice in strategic planning and project selection and prioritisation by national authorities as well as the development of single project pipelines for the key target sectors in each beneficiary country. In recognition of the specificities of the Western Balkans, the WBIF will in particular support projects that enhance regional or territorial cooperation.



2. WHAT IS THE WBIF?

The WBIF is a joint blending facility of the European Commission, participating Financial Institutions (FIs), bilateral donors and Western Balkans countries to deliver funding for strategic investment projects in beneficiary countries. The WBIF promotes a harmonised approach in the identification, prioritisation, development, and financing of these projects.

2.1 Background and History

The European Commission, as the leading provider of grants to the Western Balkan region; the international financial institutions, as the leading providers of investment resources to the region; and bilateral donors are committed to ensuring that their assistance to the region is as effective as possible. The Western Balkans Investment Framework makes good on that commitment.

The WBIF was jointly launched in December 2009 by the European Commission, together with the Council of Europe Development Bank (CEB), the European Bank for Reconstruction and Development (EBRD), the European Investment Bank (EIB) - the partner IFIs, and the bilateral donors. KfW and the World Bank subsequently joined the Framework. The WBIF built on previous initiatives such as the Municipal Window.

The WBIF pursues two main objectives:

- to pool grants, loans and expertise together to prepare and finance a common pipeline of priority infrastructure and socio-economic development projects; and
- to strengthen coordination among parties in order to improve the positive impact and visibility of these priority investments in the beneficiary countries.

2.1.1 Geographic Scope

The WBIF finances projects located on the territory of one or more of the following beneficiaries in the Western Balkans: Albania, Bosnia and Herzegovina, Kosovo*, the former Yugoslav Republic of Macedonia, Montenegro, and Serbia.



The WBIF has increasingly focussed its efforts on regional projects which are supported by two or more beneficiaries or which improve interconnection within the region and between the region and the European Union.

2.1.2 Financing

The WBIF is a blending instrument which combines grant resources and loans. Grants can fund technical assistance to prepare investment projects; they can also co-finance investment costs, helping to bridge a financing gap and enable an investment's realisation. These grant resources originate from:

- the EC Instrument for Pre-Accession (IPA and IPA II);
- grant contributions from the CEB, EBRD and EIB; and

- bilateral grant contributions from bilateral donors through the European Western Balkans Joint Fund (EWBJF).

Loans are provided by multilateral institutions (CEB, EBRD, EIB and the World Bank Group) and bilateral institutions (CMZRB, KfW, MFB, OeEB and SID Bank).

The WBIF works on the principle of leverage. Each grant should help bring additional investment and eligible projects must be supported by a lead Financial Institution (Lead IFI) that coordinates project implementation and provides debt finance whenever necessary. This approach reduces transaction costs and builds on each Financial Institution's specificities, expertise and experience.

2.1.3 Sector Priorities

The WBIF supports national and regional priorities targeting socio-economic development, environmental improvement, regional connectivity and progress towards EU accession. Eligible sectors include infrastructure development within the environment, energy, transport and social sectors as well as private sector development.

Eligible projects include not only specific investment projects in any of the above sectors, which can be supported with technical assistance and increasingly co-financing grants, but also regional studies to prepare strategic planning and regional initiatives combining financing with reform support in a particular policy area.

For instance, the WBIF is currently contributing to the on-going update of the REBIS study on South East Europe Comprehensive Regional Transport Network to support the further development of transport strategies in the region. The WBIF also helped create the Enterprise Development and Innovation Facility (EDIF) which promotes private sector development by easing access to finance for SMEs. A number of WBIF financiers including the EC, EIF, EIB, EBRD and the World Bank have cooperated to develop this platform, which provides equity financing, loan financing and guarantees to SMEs throughout the region along with targeted technical assistance to governments to enact reforms necessary to improve SME financing facilities. Finally, the WBIF and EBRD cooperated to develop the Regional Energy Efficiency Programme, an integrated package mixing policy support, direct finance and intermediated finance, aimed at supporting the creation of a sustainable market for energy efficiency in the Western Balkans.

Over time, the WBIF has increased its focus on regional and cross-border projects. Under the reformed framework of the IPA II instrument, the WBIF will primarily focus on developing regional interconnection and integration as well as on improving the connections between the region and the European Union. The WBIF will also cooperate with national authorities managing the national component of the IPA II instrument.

2.1.4 Cooperation with Regional Initiatives

The WBIF closely cooperates with several key regional initiatives for the Western Balkans. The Regional Cooperation Council's (RCC) leading role in the development of the SEE 2020 Strategy - the Western Balkans' response to EU 2020, makes RCC a key partner for the WBIF. Achieving the ambitious targets set by the countries for improved, integrated, smart, sustainable and inclusive growth will require substantial investments and the WBIF will play its part in the sectors that are within its remit.

In the transport sector, projects seeking WBIF support are vetted for consistency with the Comprehensive Transport Network as agreed in 2004 under the South East Europe Transport Observatory. This network is complementary to the Trans European Network and identifies the major routes in the region as well as those connecting the region to the EU across all transport modes.

In the energy sector, WBIF stakeholders cooperate on a regular basis with the Energy Community Secretariat that supports the beneficiary countries with the implementation of their commitments under the Energy Community Treaty. Several grants to prepare investments in transmission lines and other infrastructure of regional significance have been approved under the WBIF. Assisting the countries in reaching their energy efficiency targets under the Treaty has also been an area of interest.



Bogdanci Windfarm, former Yugoslav Republic of Macedonia - The first WBIF project to become operational in 2014.

The WBIF grant was awarded in 2008 to cover the feasibility study. KfW acted as the lead IFI. 16 turbines are now fully operational and due to generate an annual output of 100GWh.

2.1.5 WBIF Sources of Finance

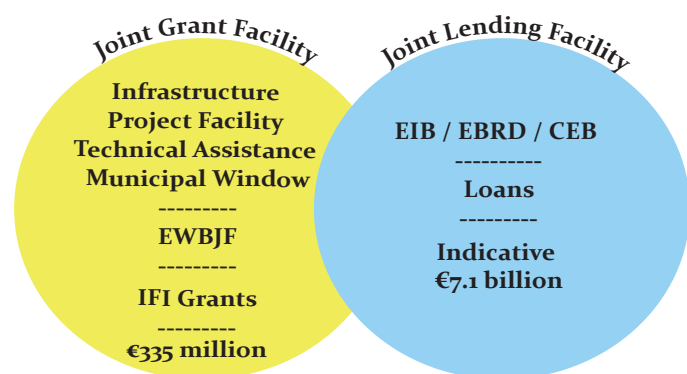
As a blending platform, the WBIF mixes two main facilities:

- the Joint Grant Facility
- the Joint Lending Facility.

The Joint Grant Facility is funded by contributions from: EC's IPA and IPA II instruments, CEB, EBRD and EIB, as well as from bilateral donors. The latter contributions are pooled in the European Western Balkan Joint Fund - a trust fund jointly managed by the EBRD and EIB. Over the period 2008-2014, the European Commission earmarked €257 million; the 3 partner IFIs, CEB, EBRD and EIB, allocated €30 million; and 19 donor countries pledged €48.4 million.

The Joint Lending Facility is the platform for cooperation between IFIs to leverage the grants funded from the Joint Grant Facility. For each project approved for WBIF assistance and grant funding, a partner Financial Institution acts as the lead IFI, coordinating its implementation with the beneficiary on behalf of the other financiers. This approach reduces transaction costs for the beneficiary and increases the effectiveness of joint cooperation. This is fully in line with the objectives of the Paris Declaration, the Accra Agenda for Action and the European Consensus on Development.

The Financial Institutions work together in close collaboration with the EC to implement optimum financing arrangements for the beneficiaries. They co-finance wherever possible in order to maximise the funding that can be made available. Efforts are made to align with the support provided under national IPA programmes; moreover, the specialisations and specific expertise within the Financial Institutions are used to support specific sectors, as appropriate.



2.2 WBIF and IPA II

The significant changes that come about to the programming of the EC's overall assistance to enlargement countries from 2014 to 2020 under the redesigned Instrument for Pre Accession, IPA II, have led to a major rethinking of WBIF operations.

Prepared in partnership with the beneficiaries, IPA II sets a new framework for providing pre-accession assistance for the period 2014-2020. The most important novelty of IPA II is its strategic focus. Country Strategy Papers are the specific strategic planning documents prepared for each beneficiary for the 7-year period. These will provide for a stronger ownership by the beneficiaries through integrating their own reform and development agendas. A Multi-Country Strategy Paper addresses priorities for regional cooperation or territorial cooperation.

IPA II targets reforms within the framework of pre-defined sectors. These sectors cover areas closely linked to the enlargement strategy, such as democracy and governance, rule of law or growth and competitiveness. The sector approach promotes structural reform that will help transform a given sector and bring it up to EU standards. It allows a move towards a more targeted assistance, ensuring efficiency, sustainability and focus on results.

Under IPA II, the indicative regional investment support allocation amounts to €1.5 billion, cumulative over the period, including €1.4 billion envisaged for distribution through blending instruments, most of which will come under the WBIF. The WBIF will thus have access to the increased resources of the 2014-2020 horizon to continue delivering essential technical assistance for the support of investment projects as well as play a growing role in co-financing projects of regional interest, particularly those which support connectivity between the countries of the region and between the region and the Member States.

Gerhard Schumann-Hitzler on the WBIF



The Western Balkans Investment Framework (WBIF) celebrates its fifth anniversary. Over the last five years, it has turned from an ambitious idea into a strong reality. It has the potential to become the main platform and a key driver for reforms and

investments in the Western Balkans.

The WBIF is not just a blending platform. It is the place where the most relevant stakeholders exchange their views on the economic development in the Western Balkans, collectively develop ideas on how to boost growth and jobs, share their knowledge and best practices, and lend each other a helping hand. By joining their experience and pooling their resources, the WBIF partners can claim to be more efficient and effective in pursuing their respective agendas.

It has been my privilege to accompany the WBIF during most of the first five years, in my role as the permanent chair of the Steering Committee, strongly supported by the respective co-chairs. I would like to take this opportunity to thank all the WBIF partners for their commitment to this joint endeavour, their spirit of good cooperation, their intellectual input and financial contributions.

*Gerhard Schumann-Hitzler
Director DG NEAR*

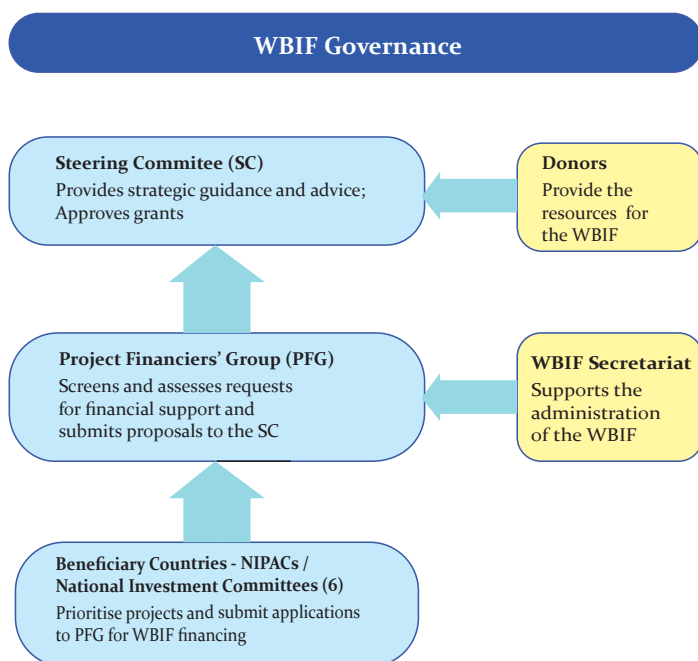
*Permanent Chair, WBIF Steering Committee
2010-2014*

3. WBIF GOVERNANCE AND ORGANISATION

The WBIF is governed by a **Steering Committee** composed of representatives of the European Commission, partner IFIs, and the Contributors to the EWBIF. The Steering Committee decides on the JGF grant allocations, takes all decisions related to the JGF, and provides strategic orientation to the WBIF. The Steering Committee is co-chaired by the Commission and a donor country on an annual rotating basis. In 2014, Germany co-chaired the Steering Committee. Italy will co-chair during 2015.

The **Project Financiers' Group**, composed of representatives of the Commission, the partner IFIs, bilateral Financial Institutions and development agencies of EWBIF contributors, provides a 'single entry point' for requests and is responsible for the process of screening (by the Commission) and financial appraisal (by the Financial Institutions) of grant requests. The Project Financiers' Group recommends positively assessed requests to the Steering Committee for grant approval and monitors their subsequent implementation.

The **WBIF Secretariat**, a light structure, housed within DG NEAR, supports the administration and daily operations of the WBIF.



The Steering Committee held meetings in June and December 2014, each of which was prepared by a single meeting of the Project Financiers' Group. Key activities undertaken during 2014 include:

- identification, screening and assessment of 29 grant applications;
- submission of 20 grant requests to the Steering Committee and approval of 15 grants (excluding grants approved but subsequently withdrawn);
- operation of a Task Force to review the evolution of the WBIF;
- detailed review of the WBIF pipeline and recommendations to improve efficiency ahead of IPA II implementation;
- preparation of regular monitoring reports;
- merger of the WBIF and IPF websites into an upgraded WBIF website;
- design and development of an entirely new MIS.

THE WBIF SEEN BY GERMANY Steering Committee Co-Chair 2014



2014 was certainly an eventful year for the WBIF. Not only did Germany, for the first time, have the privilege of co-chairing the WBIF Steering Committee, this year's agenda was dominated by discussions surrounding the implications for project funding arising from the consequences on the Joint Fund of the WBIF of the EU's new Financial Regulation.

Since its foundation, Germany has been a strong supporter of the WBIF. As a country which sees its future irrevocably tied to that of the EU, the Federal Republic of Germany is committed to a strong, prosperous and peaceful Europe. Since the outbreak of the economic and financial crisis, the EU has seen some turbulent times. The joint response to these challenges has been impressive, and the EU is today better equipped to deal with any potential future crises. Coordination and cooperation among existing member states has become closer, particularly within the euro area. And these new structures will one day apply to the countries of the Western Balkans. So it is essential, and in the interests of everyone, that potential member states enjoy the best possible preparation for membership. One which is based on honest and open dialogue, where accurate assumptions are made and achievable targets are set. One which respects country sovereignty, but doesn't shy away from the realities of collective governance. And one which is as inclusive as possible. And that is why the structure of the WBIF is so impressive. It brings together all the important actors and allows them to discuss and plan infrastructure investment in the various countries in a collaborative manner. All the time with the goal of a successful and smooth accession procedure in mind. We all share a common interest in ensuring the best possible future for our continent.

This understanding of a common interest is reflected in Germany's engagement with the WBIF, both politically and financially. To date, Germany has committed close to six million euro in bilateral donations alone to the WBIF's joint fund. Taking into account the German contribution to the other sources of WBIF income, whether via the various International Financial Institutes or by way of IPA funds from the EU budget, Germany is the single largest contributor to the WBIF.

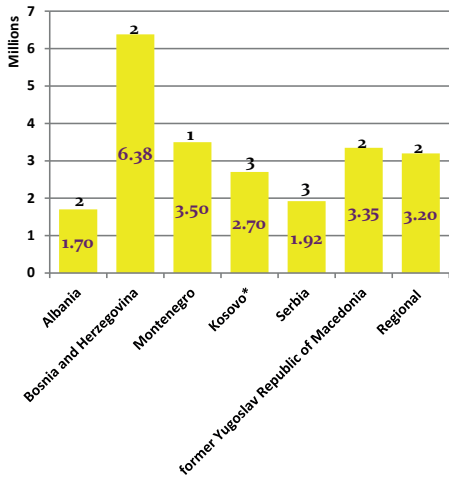
Thus it was with great pleasure that Germany took on the role of co-chair of the WBIF Steering Committee in 2014, together with the European Commission. I was particularly pleased to welcome some 80 delegates to Berlin in mid-June for the 10th Steering Committee meeting of the WBIF. In this meeting, we approved 8 new projects totaling more than nine million euro, and highlighted the particular importance of projects to alleviate the damage caused by the devastating floods in Bosnia and Herzegovina, and Serbia.

Also in Berlin, we agreed to form a restricted task force to deal with the complications arising from the new Financial Regulation. Talks to date have progressed in a positive manner, and it is hoped that the WBIF can now return to its normal business in 2015, namely to provide an inclusive platform for infrastructure investment in the Western Balkans to help attain a sustainable level of socio-economic soundness, financial stability and the competitiveness necessary to enable a smooth transition to EU membership. To this end, the WBIF can count on Germany's continued support.

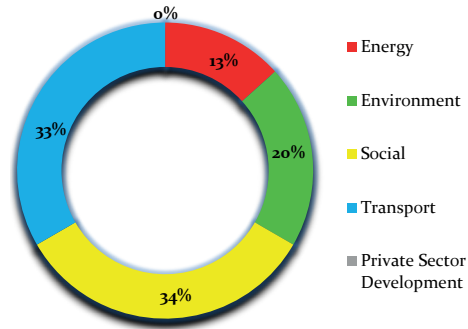
Steffen Kampeter
Parliamentary State Secretary
German Federal Ministry of Finance

4. WBIF 2014 HIGHLIGHTS

Grants approved in 2014 by beneficiary (value and number)



Grants approved in 2014 by sector (number)



15 grants approved in Rounds 11 and 12

Signed loans reached €2.8 billion

First WBIF project to become fully operational*

Albania received EU Candidate status

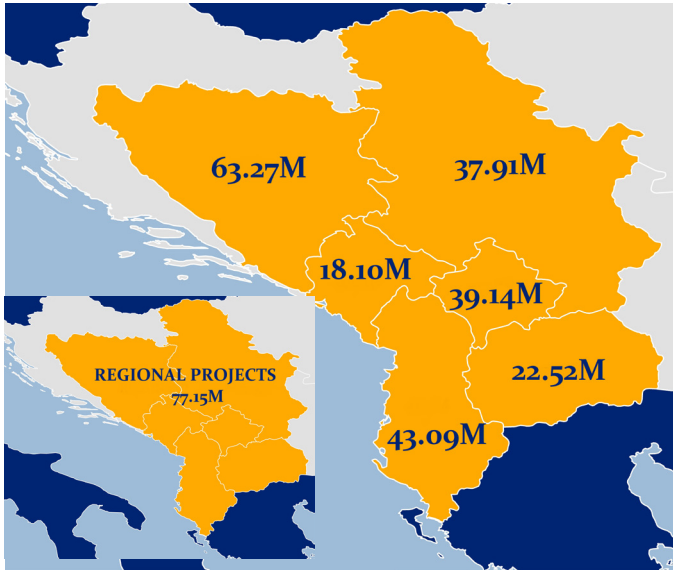


Snapshots from the 16th PFG Meeting in Belgrade, November 2014, and the 11th SC Meeting in Luxembourg, December 2014. (c) EC.

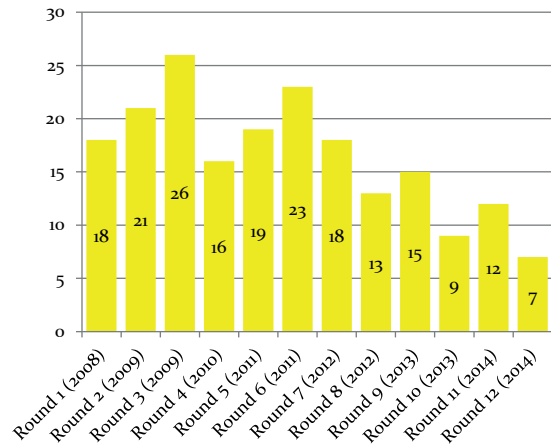
*Bogdanci Wind Farm, former Yugoslav Republic of Macedonia

5. WBIF AT A GLANCE

WBIF Grant allocations by beneficiary (value and number) as of 31 December 2014



WBIF grants by round (number)



WBIF beneficiaries

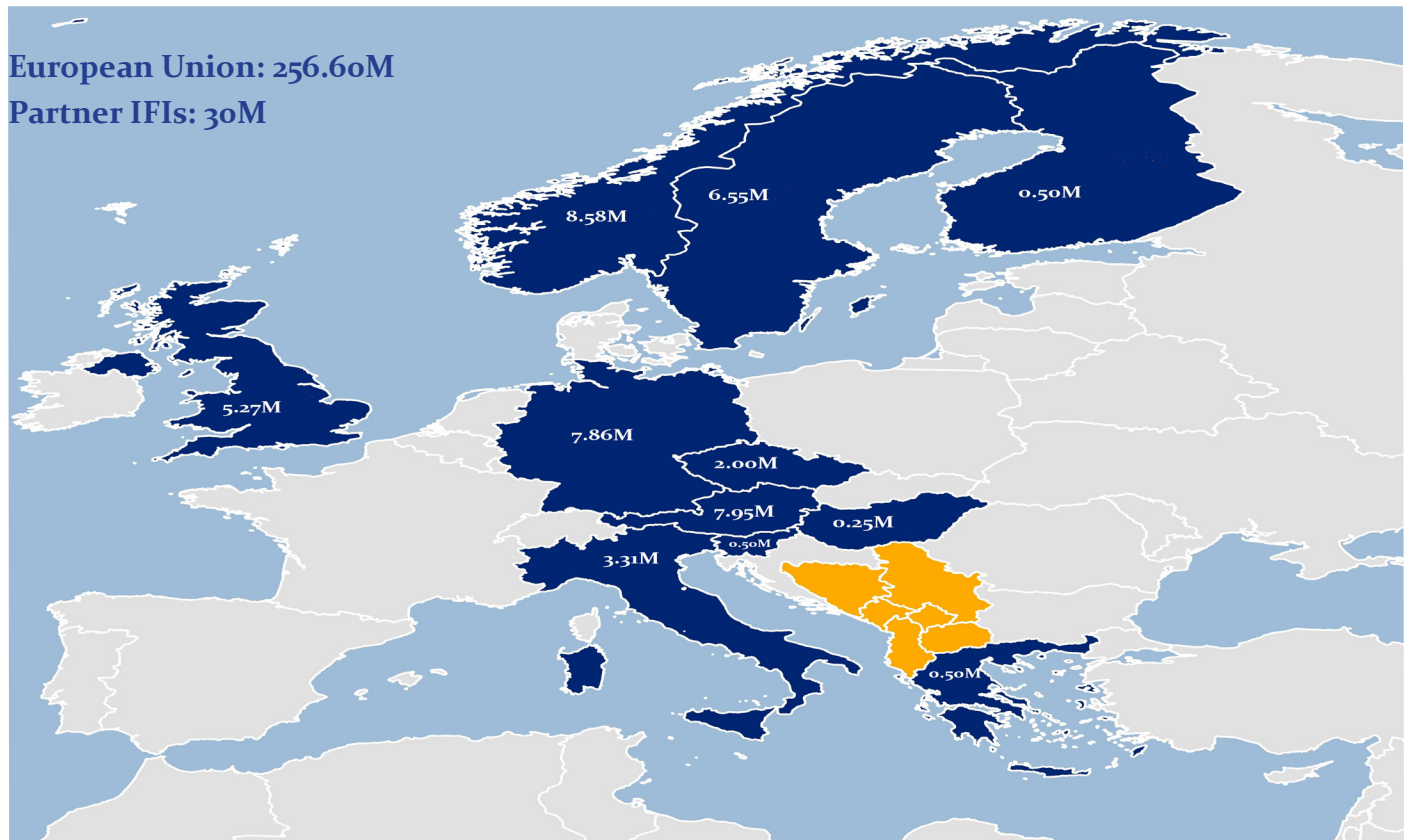
Bilateral donors:

Austria / Canada* (not pictured) / Czech Republic / Denmark / EU / Finland / Germany / Greece / Hungary / Ireland / Italy / Luxembourg / the Netherlands / Norway / Poland / Slovakia / Slovenia / Spain / Sweden / United Kingdom

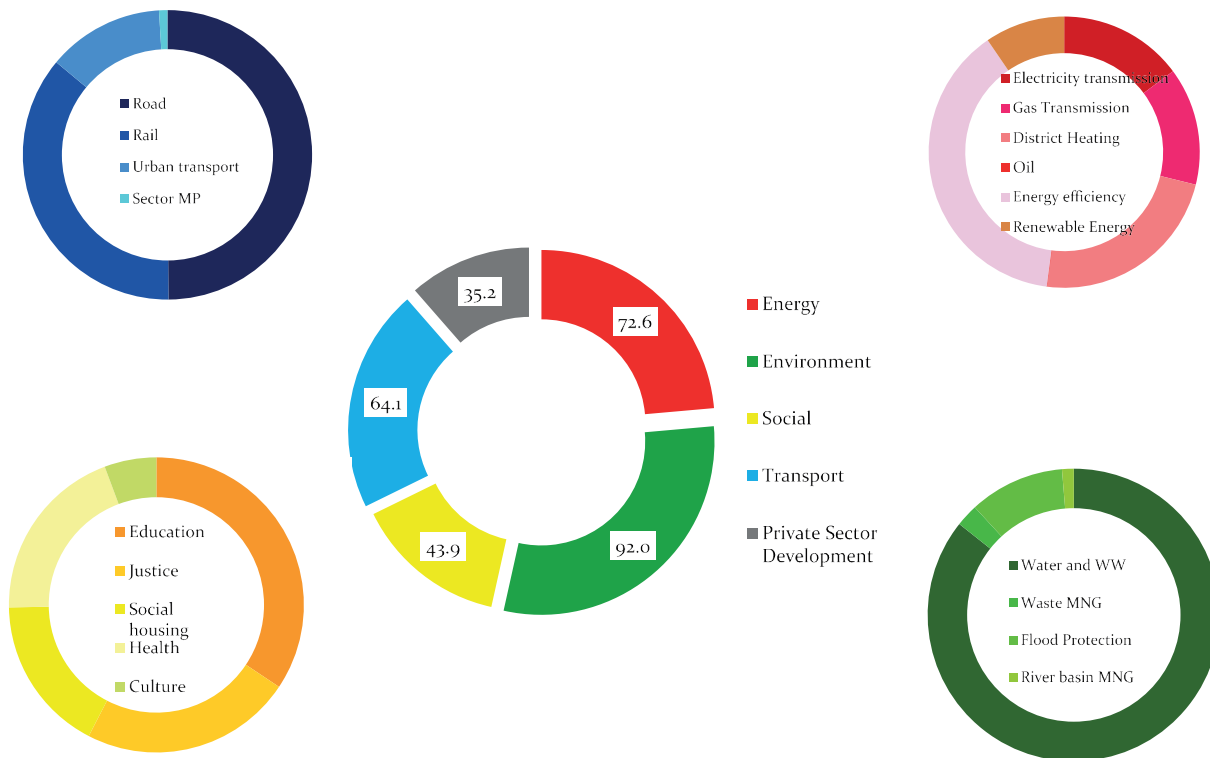
WBIF Financiers



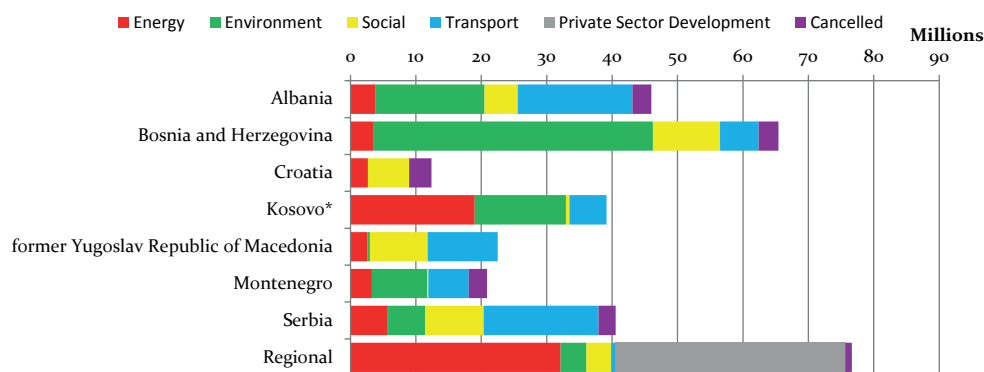
In cooperation with:



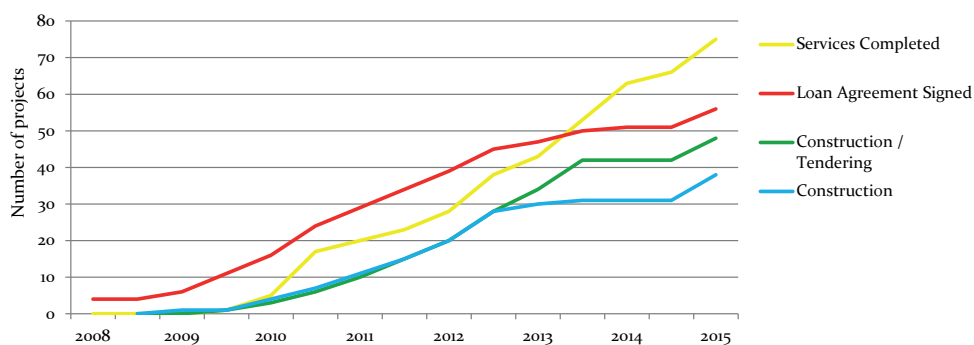
Grants by sectors and sub-sector (EUR million)



Grants by beneficiary country and sector (EUR million)



Development of the WBIF pipeline



159 projects
 €0.3 billion grants
 €2.8 billion loans signed
 €13.1 billion total investments

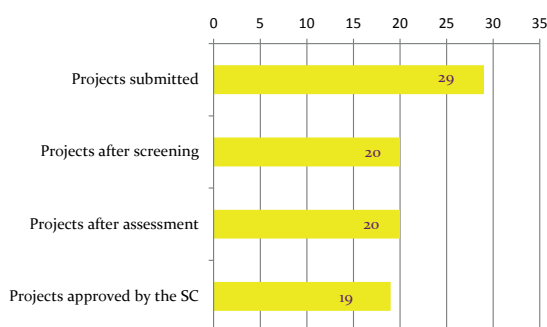
6. WBIF OPERATIONS IN 2014

6.1 Overview

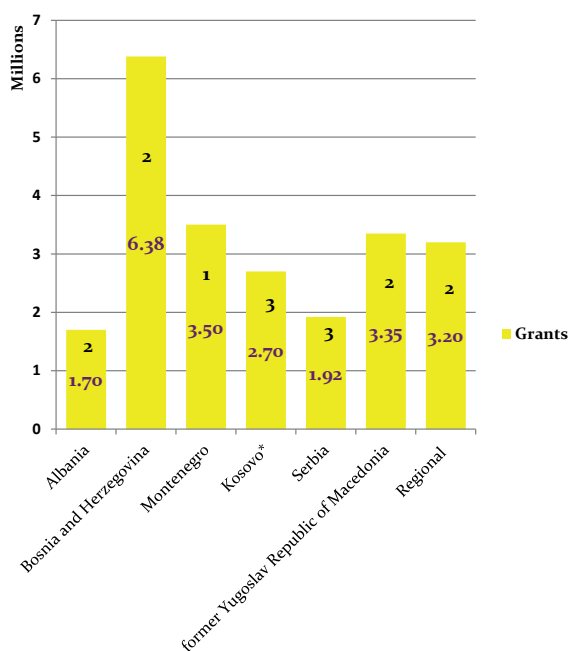
The WBIF marked its fifth anniversary in 2014 with another busy year, focused on: (i) accelerating implementation of its existing pipeline; and (ii) promoting new projects with a regional dimension, particularly those aiming at increased regional connectivity, both inside the region and with EU member states.

The two calls for proposals launched during the year reflected this twofold approach. The 11th call attracted 15 applications, out of which 12 were screened positively and ultimately approved by the Steering Committee. Four projects with Bosnia and Herzegovina as a full or partial beneficiary were approved as part of this round but the implementation was put on hold and all four were eventually withdrawn. The 12th call for proposals received 13 applications; 7 were screened positively and 6 were subsequently approved by the Steering Committee. In addition, Round 12 included a project processed under an accelerated procedure in response to the floods that affected Bosnia and Herzegovina in the spring of 2014. This project incorporated 2 of the projects that had been approved under Round 11 but placed on hold and afterward withdrawn.

2014 grant approval process



2014 grants approved by beneficiary (number and value / EUR million)



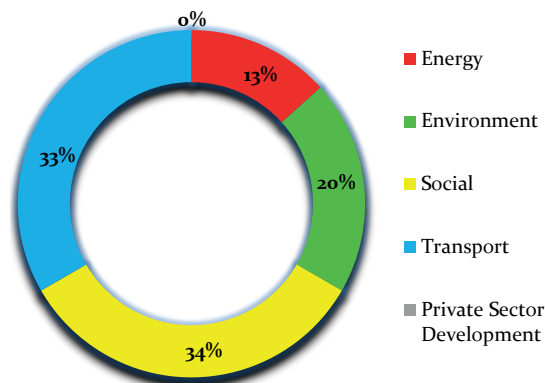
All grants approved in 2014 will finance technical assistance; there was no request for investment grants or interest rate subsidy grants in 2014.

Tighter eligibility criteria applied in 2014 led to a reduced number of applications presented by the beneficiaries compared to previous years. However, the success rate increased significantly, with 65% of applications receiving funding out of the total submitted, compared

to a rate of 50% in 2013. The average grant size also increased in 2014 by nearly 75%. The partial redefinition of eligibility criteria was necessary in order to focus the financial resources available on moving projects toward financial close, in preparation for the increase in investment grants to be made available by the WBIF under IPA II in 2015.

The grants approved show a broad distribution amongst countries. The slightly higher value for Bosnia and Herzegovina includes a €4.88 million grant allocated under an emergency procedure to finance a complex flood risk management project.

2014 grants by sector (number)



Compared to the previous year, the sector distribution of grants is balanced, with broadly equivalent numbers of projects supported in the social, transport and environment sectors. The share of the energy sector fell sharply in 2014 after claiming 40% of all grants in 2013. No private sector development project was proposed in 2014, unlike 2013.

Comprehensive data on all grants approved during 2014 is provided in appendix 1 of the present annual report. Particularly noteworthy projects which attracted WBIF support in 2014 include:

- preparation of a gas master plan for Albania;
- detailed design for the Albanian section of the electricity connector linking Albania to the former Yugoslav Republic of Macedonia (the grid section in the former Yugoslav Republic of Macedonia has received WBIF financing on previous rounds);
- feasibility study for the rehabilitation of Rail Route 10 - the only international rail connection in Kosovo*;
- supervision services for the construction of a further section on Rail Corridor 8 in the former Yugoslav Republic of Macedonia;
- implementation and supervision support to the reconstruction and modernisation of judicial facilities in Serbia and the former Yugoslav Republic of Macedonia;
- implementation support for the construction of the South Eastern European Centre for Entrepreneurial Learning;
- preparation of flood risk maps and management plans for Bosnia and Herzegovina as well as for the entire Sava river basin.

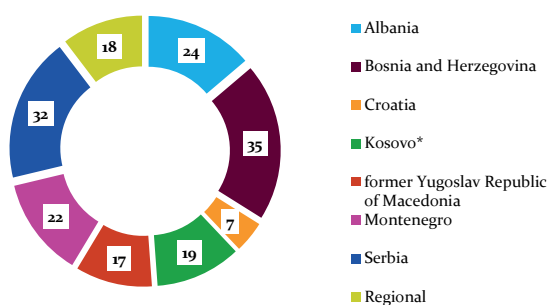
In parallel to the approval process, the Steering Committee continued to monitor the progress of previous grants. This monitoring effort showed that the vast majority of the grants awarded over the initial five-year period have progressed as due. Seven grants that showed no significant progress in implementation were cancelled during 2014.

6.2 Portfolio review

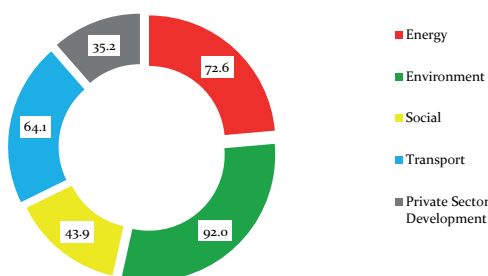
After five full years of operations, the WBIF portfolio has matured. The current portfolio includes 174 grant projects, active or completed, out of a total of 193 grants approved by the Steering Committee so far (excluding grants subsequently withdrawn). Over time, 19 grants showing no sign of progress and with little prospects for improvement were cancelled (7 in 2014), following a detailed portfolio review. The funds that had been allocated thereto were released for the benefit of future projects. All data and analysis below refer only to grants that are active or completed, i.e. net of cancelled or withdrawn grants.

The breakdown of grants by beneficiary country in numbers shows the greater weight of smaller and less developed countries, which is confirmed by the analysis by value. Regional projects however have a disproportionate weight in the distribution by value, which is largely explained by the large volume of funding allocated to REEP and EDIF, set at €23.4 million and €34.2 million respectively.

Grants to date by beneficiary (number)



Grants to date by sector (value / EUR million)

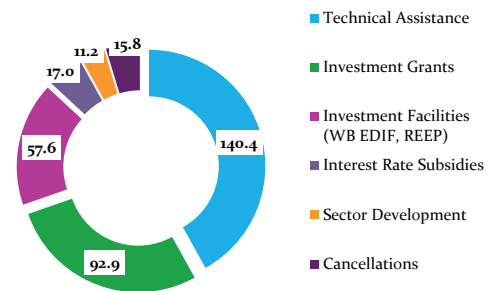


The breakdown of the portfolio by sector shows activity fairly evenly split among key sectors, even if somewhat overweight when it comes to environment projects. This is partly due to a significant number of investment grants approved in 2008 for this sector under the Municipal Window. A few investment grants were also allocated to transport and energy but their volume is significantly lower than the former. Approximately €55 million were allocated to environmental projects while transport and energy received around €15 million each.

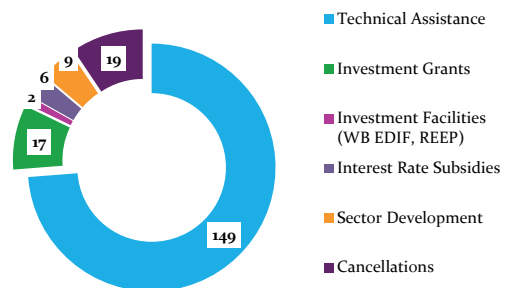
The social sector also shows considerable activity in terms of the number of grants allocated; its contribution in the distribution by value is however somewhat less due to a smaller number of investment grants, while a reverse effect applies to Private Sector Development grants due to the large EDIF project.

The distribution of grants in terms of services and investments under the WBIF is illustrated in the following two graphs. As it may be noticed, in terms of grant number, technical assistance (TA) significantly outnumbers other forms of assistance, whereas in volume, the investment grants and facilities are on a par with project preparation support.

Grants to date by type of assistance (value / EUR million)



Grants to date by type of assistance (number)



6.3 Sector Review

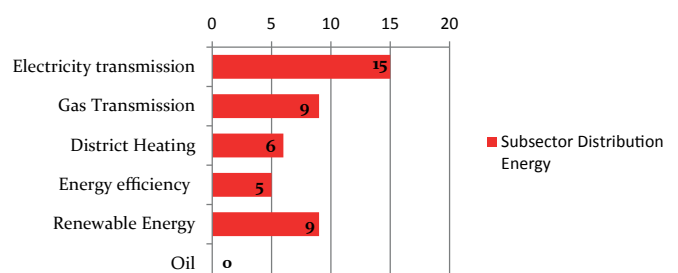
6.3.1 Energy Sector

A total of 44 grants, net of cancellations, and worth €73 million has been approved in the energy sector; this makes energy WBIF's second most active sector both by number and value of grants. Grant activities primarily focus on electricity and gas transmission as well as on renewable energy projects, thus reflecting a dual focus on connectivity between energy systems and the shift to sustainable energy.

While energy efficiency only attracted a limited number of grants, the funding volume is substantial thanks to "wholesale" projects like REEP which rely on intermediaries to originate and package scores of smaller field projects. REEP became operational in 2013 and significantly built up its activities in 2014. All REEP components are now in operations.

Several of the grants allocated to this sector contribute to the preparation and / or implementation of regional projects, benefiting two or more countries. While 20 technical assistance projects have already been completed, only a few of the underlying investment projects have reached financial close, partly due to the complexity of coordinating financing across borders in times of fiscal constraints. Indications are however that a substantial number of transmission projects should reach financial close in 2015-2016.

Grants to date by energy subsectors (number)



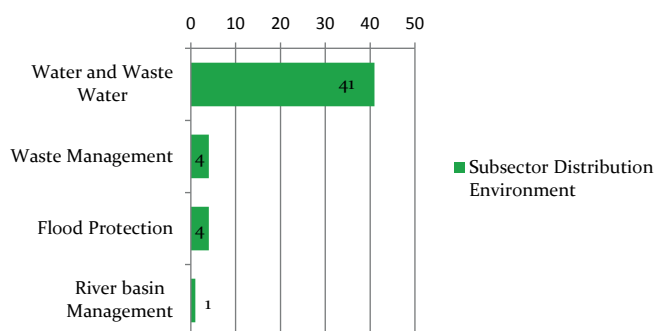
6.3.2 Environment Sector

In total, the environment sector amounts to 50 active or completed grants worth €92 million, making it the single largest sector of activity for the WBIF in both numbers and value.

Most projects are for the benefit of municipal infrastructure (water, waste-water and solid waste management) while a few larger projects address flood management and river basin management issues on a national basis or across borders.

By the end of 2014, 23 projects had been completed, almost exclusively in the water and waste-water subsector, except for two projects in solid waste and another two in flood protection.

Grants to date by environment subsectors (number)



6.3.3 Social Sector

A total of 38 grants, net of cancellations, and worth nearly €44 million, has been approved in the social sector, making it a dynamic contributor to the WBIF's activities. Activity is primarily focused on buildings with a social purpose in the education, health, housing and judiciary subsectors as well as on projects addressing sector specific reform and / or finance. Individual grants in the social sector tend, by nature, to be of smaller volumes, resulting in a sector contribution to the WBIF activities that is lower in value than in grant numbers.

By the end of 2014, services on 20 grant projects had been completed. Most of these grants are related to the development or modernisation of facilities with a social purpose. 18 social sector grants are attached to investment projects which have reached financial close.

Grants to date by social subsectors (number)



6.3.4 Transport Sector

A total of 40 grants, net of cancellations, and worth €64 million has been approved in the transport sector; it thus constitutes WBIF's third most active sector both by number and value of grants. The vast majority of these grants cover technical assistance services, except for:

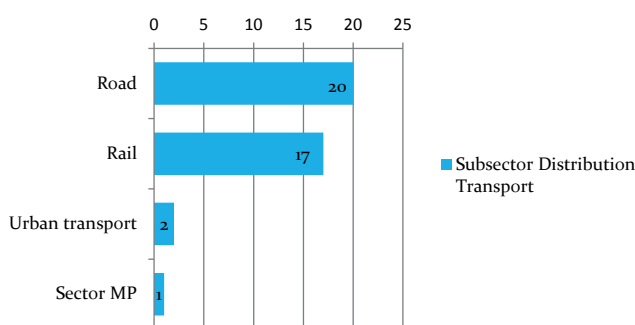
- two investment grants allocated under the Municipal Window;

- investment co-financing for feeder roads reconstruction in Albania; and
- investment co-financing for urban transport reconstruction in Belgrade.

Activity is by large evenly split between the road and rail sub-sectors and primarily focused on developing the SEETO Comprehensive Network and TEN-T corridors. All grants allocated to rail projects support the rehabilitation and modernisation of existing lines. A small number of grants have been awarded to local/feeder road networks or to urban bypasses. In addition, a grant is supporting the update of the sector traffic study that underpins the definition of the SEETO network.

By the end of 2014, work on 17 grant projects had been completed. Further, 15 transport sector grants were attached to investment projects which reached financial close. Indications are that a substantial number of transport projects should reach financial close in 2015-2016.

Grants to date by transport subsectors (number)



6.3.5 Private Sector Development

This specific activity has received only two grants from the WBIF to date. However, due to the size of these grants, this sector is a significant contributor to the WBIF's activities.

EDIF is a regional SME finance facility launched in 2012. It is co-managed by the EIF, EBRD and EIB and includes two SME equity funds, a guarantee facility and a support services pillar targeting structural reform in SME finance in WBIF participating countries. EDIF aims at generating over €300 million of financing available to SMEs in debt or equity, mostly through intermediaries like commercial banks and private equity funds.

All activities under EDIF are now up and running and the guarantee facility had nearly been fully committed by the end of 2014. Conversations are on-going as to EDIF's further development. Up-to-date information on EDIF may be found at: <http://www.wbedif.eu>.

WBIF and Climate Change

Climate change action is increasingly important for the Western Balkans and the recent dramatic floods in Bosnia and Herzegovina and Serbia highlighted the vulnerability of the region. Further, the region is also making commitments to climate action under the EU accession process, while international financial institutions active in the region are attaching greater importance to climate change issues.

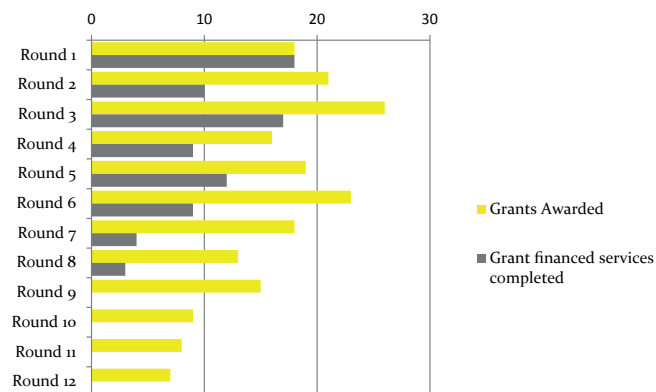
In June 2013, a Climate Change Window (the "CCW") was introduced in the WBIF in line with all EU blending facilities. The CCW tracks financing allocated to investment in mitigation and adaptation measures and climate resilience; it also seeks to raise awareness of climate change issues so that they are incorporated in strategic infrastructure design and planning. The outcome of rounds 11 and 12 shows increased awareness as 80% of the projects approved by the Steering Committee included CC mitigation and/or adaptation measures. Since 2009, approximately 25% of WBIF grants have had a CC element, representing a contribution to climate finance in excess of €70 million.

The PSD project is a regional study of PPP legislative and institutional frameworks in the region undertaken by EPEC - the European PPP Expertise Center. The study was completed in 2014 and concluded that all countries had adequate legislative frameworks to allow for the use of PPPs. Moreover, almost all beneficiaries have PPP units in place, albeit practical experience is still missing and the region is suffering from a PPP project preparation deficit leading to high project mortality. A tool to assist and evaluate project preparation progress was also developed as part of the project.

6.4 Progress in the Implementation of Grants

The WBIF currently accounts for 174 grant projects (excluding cancelled or withdrawn grants), out of which 82 are now complete. Current status of grants per round is provided in the chart below.

Grant implementation status (number)



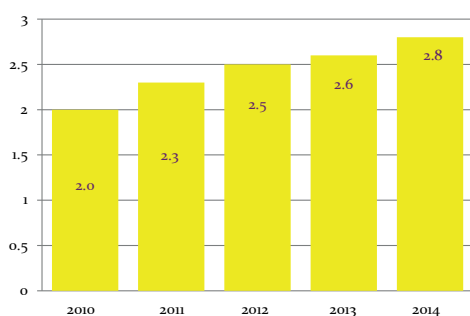
Implementation of the grants allocated in the first five rounds is now well advanced. Whereas all technical assistance services procured under round 2 are now complete, implementation of investment grants under the Municipal Window is not yet complete. Most grants in rounds 6 to 10 are now under execution while those in rounds 11 and 12 are progressing through scoping and preparation of terms of reference.

6.5 Joint Lending Facility Overview

Investment projects supported by WBIF grants are making good progress towards implementation, with 74 WBIF grants attached to investment projects that have reached financial close. In addition, the two regional projects, REEP and EDIF, are operational and financing projects and intermediaries. Excluding eight WBIF grants that support sector studies (which can only indirectly result in lending operations;), over 45% of the WBIF grants are associated with projects which have reached financial close.

Total loans signed for investment projects supported by WBIF grants reached 2.8 billion, showing slow but steady progress since 2010, in an environment of generally tight fiscal space throughout the region. The bulk of the loans signed to date is in the transport sector due to several large regional projects like corridor Vc or corridor X. Environmental and social sectors are showing steady progress while a number of energy projects are expected to reach financial close over 2015 and 2016 after a long maturation period.

Signed loans to date (EUR billion)



PROJECT FOCUS: GRANTS APPROVED IN 2014



Improvement of Flood Management Measures in Sava River Basin

The Sava River Basin is mostly shared by five countries: Slovenia, Croatia, Bosnia and Herzegovina, Montenegro and Serbia, while a small part of its catchment also extends into Albania. The International Sava River Basin Commission (ISRBC), in association with main riparian states and supported by the World Bank (as the lead IFI), submitted a joint, regional application for WBIF financing under Round 11. The project stems from the Framework Agreement on the Sava River Basin (FASRB) and the Protocol on Flood Protection to the FASRB. Moreover, the actions envisaged by the Protocol are in line with the EU Directive 2007/60/EC and the EU Directive 2000/60/EC. The project components are also on the list of priority projects of the EU Strategy for the Danube Region.

The grant (€2 million) was approved in June 2014 and is expected to enable: a) the development of a flood risk management plan at the level of the entire river basin, including a concrete plan of structural and non-structural measures to mitigate flood risks; and b) a common, harmonised flood forecasting and warning system for the entire basin, capitalizing on previous investments made by ISRBC and / or beneficiary states in hydro-meteorological data collection and modelling.

The assignment will take place over a period of three years and will complement other ongoing flood management measures undertaken by individual beneficiary states, particularly after the severe flood events from May 2014 (Tamara / Yvette storms), which caused the displacement of at least 1.6 million people, mostly in Serbia and Bosnia and Herzegovina, as well as fatal casualties in excess of 60 people and material damages of several billion US dollars. It will run in tandem with another assignment funded under the WBIF for flood protection activities in Bosnia and Herzegovina - WB12-BiH-ENV-04, of €4.88 million.

Key facts

Title:

- Improvement of Joint Actions in Flood Management in the Sava River Basin, WB11-REG-ENV-01

Grant approval date: June 2014

Lead IFI(s):

- WB

WBIF – EWBJF grant:

- €2,000,000

Loan estimate:

- N/A

Total investment estimate:

- N/A

PROJECT FOCUS: GRANTS APPROVED IN 2014



400kV Power Interconnection between Albania and the former Yugoslav Republic of Macedonia

In December 2014, the WBIF Steering Committee approved a grant of €600,000 for the update of the environmental and social impact assessment and the production of the detail design for the 400 kV OHTL interconnection Elbasan-Bitola on the Albanian part, including the extension of Elbasan 2 substation. The application was supported by KfW and capitalised on the results of a previous WBIF grant, at that time with EBRD in the lead, which was allocated for the development of the feasibility study for the future regional transmission project.

The regional transmission line would run for 95 km from Bitola, in the former Yugoslav Republic of Macedonia, to the border with Albania and from there, for another 56 km, to Elbasan in Albania. In addition to the line and the accompanying 390 pylons, the project includes a substation extension in Bitola and two new connections in Elbasan and Ohrid. The total investment value is estimated at €65 million; once the construction is complete it will enable the direct connection of the power systems of the former Yugoslav Republic of Macedonia and Albania, and will finalize the 400kV ring between Albania, former Yugoslav Republic of Macedonia and Greece. It will thus support the development of a regional power market in South East Europe, apart from improving the transmission capacity reliability, and efficiency of the two power operators active in the two WBIF beneficiary countries - OST and MEPSO.

The current TA is due to start early 2015 and last for 9 to 12 months, in tandem with a similar assignment tendered by Macedonian authorities for the section located beyond the Albanian border. Services will cover: detail design for the 400 kV transmission line and the extension of Elbasan 2 substation; preparation of technical specifications; update of ESIA for the tower location; and support in the preparation of GIS maps required for the land expropriation.

Key facts

Title:

- Albania to the former Yugoslav Republic of Macedonia 400kV interconnection, WB4bis-REG-ENE-01
- Detail design for 400 kV OHTL interconnection Elbasan-Bitola (Albanian part) including substation Elbasan 2 extension, WB12-ALB-ENE-01

Grant approval date: i). December 2010; ii). December 2014

Lead IFI(s): i). EBRD; ii). KfW

WBIF - EWBIF grant: i). €650,000; ii). €600,000

Loan estimate:

- €30,000,000
- €28,600,000

Total investment estimate:

- €65,000,000
- €28,600,000

PROJECT FOCUS: GRANTS IN IMPLEMENTATION



Modern and Efficient Water and Wastewater Systems in Seven Municipalities of Montenegro

Montenegro, as a candidate country to the European Union and also intent to redevelop its tourist potential, has embarked on a widespread programme of improving its water and wastewater systems. Under Round 7, the WBIF provided TA support for the development of water and wastewater systems in seven medium municipalities - Bijelo Polje, Niksic, Cetinje, Berane, Plav, Rozaje, and Andrijevica, with a total population of approximately 200,000 (i.e. about 32% of the total population of Montenegro).

The grant is intended to ensure project preparation and implementation support for the following investments: a). wastewater treatment plants in the Municipalities of Bijelo Polje, Berane, Rozaje, and in the Old Royal Capital of Cetinje; b). sewerage networks in the Municipalities of Plav and Niksic; and c). extension and upgrade of the water supply system in the Municipality of Andrijevica. The services are currently ongoing and include, amongst other, design review, preparation of tender dossiers, and assistance to the Beneficiary (PROCON) during procurement. To date, the construction contract for Cetinje sewerage network has been signed, the tender dossiers for Bijelo Polje and Berane have been finalized and are due to be tendered, and the designs for Andrijevica have been duly reviewed and revised.

The improvements of the existing water and wastewater infrastructure would ensure: a. treatment of sewage before being discharged into neighbouring rivers; b. extension of wastewater collection area so that pollution of drinking water resources is minimised; c. continuous water supply through the protection of drinking water resources and upgrades of the existing water distribution networks. The investments will thus contribute to the socio-economic development of a region with significant tourist, agricultural and industrial potential.

Key facts

Title:

- Technical assistance for the wastewater and water supply projects in Montenegro, WB7-MNE-ENV-24

Grant approval date: June 2012

Lead IFI(s):

- EIB

WBIF - EWBIF grant:

- €700,000

Loan estimate:

- €14,466,667 (signed)

Total investment estimate:

- €23,183,788

PROJECT FOCUS: INVESTMENTS IN OPERATION



Research, Development and Innovation Facilities, Serbia

In its efforts to achieve sustainable economic growth, Serbia has planned for a strategic programme aimed at developing its higher education and research, development and innovation (RDI) facilities. In December 2009, the WBIF allocated grant funding for the review of (pre)feasibility studies, production of preliminary and main designs and the organisation of international design competition, as appropriate, for a threefold infrastructure development project, as follows:

- Component A - Petnica Science Centre: construction, including furnishings, of a new 170-people dormitory and a laboratory for physics, bio-sciences, and chemistry; as well as the refurbishment of existing library, dormitories and cafeteria, in one of the oldest independent nonprofit organization for extracurricular science education in South Eastern Europe.
- Component B - Zvezdara Technology Park: reconstruction of 5 buildings totalling 18,345 m², aiming to create an incubator area providing: training for application of new technologies; transfer of new RDI results from institutes and universities to companies, or enabling the setting up of new companies based on RDI results; laboratories and test sites; a venture capital fund, legal and financial advice; and management training.
- Component C - Centre for Promotion of Science in Belgrade: construction of the biggest science promotion facility in the region, of over 15,000 m², including 3,000 m² of permanent exhibition space, laboratories, conference hall and Planetarium.

The WBIF grant built on project preparation work that had been completed with assistance from the European Commission. Components A and B have been finalized and are now in operation. Work on Component C is ongoing.

Key facts

Title:

- Building the knowledge economy in Serbia, R&D infrastructure initiative, TA3-SER-SOC-01

Grant approval date: December 2009

Lead IFI(s):

- EIB

WBIF – EWBIF grant:

- €600,000

Loan estimate:

- €200,000,000

Total investment estimate:

- €440,000,000

PROJECT FOCUS: UNDER CONSTRUCTION



Local and Regional Roads Reconstruction, Albania

The overall length of the road network in Albania totals about 15,500 km, comprising 3,400 km of national roads and about 12,000 km of secondary and local roads. The problems facing the local road network are significant, as a small number of sections are paved and about 75 – 80 % of the system is in a poor or very poor condition. To compound the problems, a number of sections are impassable for parts of the year, thus restricting the population's access to essential services, such as health and education.

Albania has engaged in a multi-donor programme (EBRD, EIB, CEB, and KfW) to support the rehabilitation of 1,500 km of secondary and rural roads. The aim of the programme is to improve the transport conditions in the rural areas of the country, where about 25% of the Albanian population resides, in order to ease the linkages with the markets, health and education services, as well as to contribute to economic development through employment and creation of opportunities to develop the rural economy. These benefits include reduction in travel time and vehicle operating costs as well as an increase in traffic volumes, since the secondary network will enable connections with the SEETO Comprehensive routes.

The programme is implemented by the Albanian Development Fund (ADF), one of the first institutions in Albania tasked with regional and local development since 1993. To date, the programme accounts for: civil works financed for 142 road segments of an overall length of 1170 km, out of which 113 (882 km) have been reconstructed to date. Work continues for the reconstruction of 25 road sections of a total length of another 258 km.

Four more sections are to be added to the construction schedule once designs and tendering have been finished. These remaining civil works are due to become operational by 2017.

Key facts

Title:

- Feeder roads, MW-ALB-TRA-CEB/KfW-07
- Regional and local roads, WB1-ALB-TRA-01
- TA for Project Implementation, WB4-ALB-TRA-08

Grant approval date: i) March 2009; ii). December 2009; iii). June 2010

Lead IFI(s): i). KfW; ii). CEB and EBRD; and iii). EIB and EBRD

WBIF – EWBIF grant:

- €9,000,000
- €4,000,000
- €750,000

Loan estimate:

- €100,000,000

Total investment estimate:

- €138,500,000

PROJECT FOCUS: REGIONAL ENERGY EFFICIENCY PROGRAMME (REEP)

Since their establishment in 2009, the Western Balkans Sustainable Energy Financing Facility (WeBSEFF) and the Western Balkans Sustainable Energy Direct Financing Facility (WeBSEDF), along with supporting policy dialogue, have been fundamental components of EBRD's Sustainable Energy Initiative in the Western Balkans.

This approach has been recognized as a working model in a regional setting and was the basis for establishing the Regional Energy Efficiency Programme (REEP) for the Western Balkans. In order to support working towards the objectives laid down in those countries' National Energy Efficiency Action Plans (NEEAPs) the WeBSEFF model was modified to encourage participating banks to extend loans to the public sector and both WeBSEFF and WeBSEDF seek to engage in financing ESCO projects. An extensive policy dialogue window is providing further support for countries' implementation of NEEAPs, covering the transposition of the Energy Performance of Buildings Directive (EPBD), energy efficiency procurement, and utility energy efficiency policies and reforms to energy tariffs, metering and billing. It also incorporates specific support for an ESCO-enabling legal framework. In addition there is a technical cooperation facility that supports public authorities (e.g. municipalities) in preparing ESCO projects.

The organization of "The ESCO Opportunity: Improving Energy Efficiency in Public Facilities" conference, held on 24 September in Belgrade, was just one activity under the REEP to strengthen increased participation of ESCOs in the public sector to increase energy efficiency investments. More than 180 people attended, including senior representatives from ministries, interested companies and mayors of different cities.



In terms of specific progress under the two windows, REEP accounts for:

1. Window 2: WeBSEFF II was launched in October 2013. By mid-March 2015, a total of 9 PFIs from Bosnia and Herzegovina, Croatia, the former Yugoslav Republic of Macedonia and Serbia have joined the WeBSEFF II framework.

The entire €92 million amount available under the WeBSEFF II credit line framework is now committed. The PFIs have signed 39 projects so far with a total loan amount value of approx. €17 million. CO₂ emissions savings are estimated at approximately 77,000 tonnes per annum.

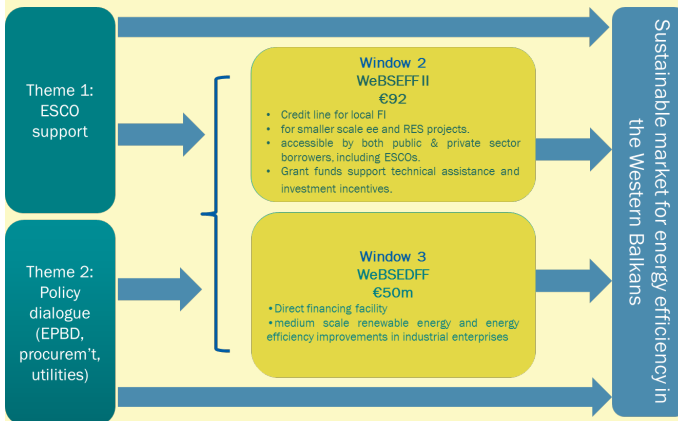
2. Window 3: Phase 2 of WeBSEDF was launched in 2012. It is a €50 million finance facility supported by a €21.5 million grant and technical assistance facility. It aims at providing direct financing for renewable energy and industrial energy efficiency projects.

So far, WeBSEDF has committed approximately €14 million to 3 projects, 1 SHPP in Albania (completed), and 1 SHPP in the former Yugoslav Republic of Macedonia and 1 biomass cogeneration plant in Bosnia and Herzegovina (both under implementation). The projects represent total installed capacity of 14.2 MW and potential generation of 194.1 GWh per annum with estimated CO₂ emissions reductions of 298 ktonnes per annum. WeBSEDF is currently reviewing SHPP projects in Bosnia and Herzegovina and Montenegro and a biogas project in Serbia.

Significant progress has also been achieved under the policy support for the implementation of NEEAPs. A total of 10 policy assignments have been launched to support NEEAP implementation, including:

- assistance with the transposition of the EU's Energy Performance of Buildings Directive (EPBD) - Kosovo*, Bosnia and Herzegovina, Croatia, former Yugoslav Republic of Macedonia, Serbia, and Albania;
- public procurement rules and guidelines for the purchase of energy efficiency (EE) goods, works and services - Montenegro and Serbia;
- utility EE policies and reforms to energy tariffs, metering and billing - Croatia and Montenegro.

Regular updates on the progress of the REEP will be published at: <http://www.wb-reep.org/>.



One year after the official launch of the REEP, the EBRD has provided EUR 64 million to seven participating financial institutions across four countries. All of these have financed first energy efficiency sub-projects, including in the public sector, and with the support of the Technical Assistance have built up a strong pipeline of sub-projects.

Supported by the ESCO support assignments, ESCO model contracts have been developed and discussed with different Ministries in the beneficiary countries that have expressed interest and are at various stages of approval and dedicated consultant teams support municipalities and public entities in their preparation of ESCO projects. First ESCO projects are expected to be tendered, financed and implemented by 2015.

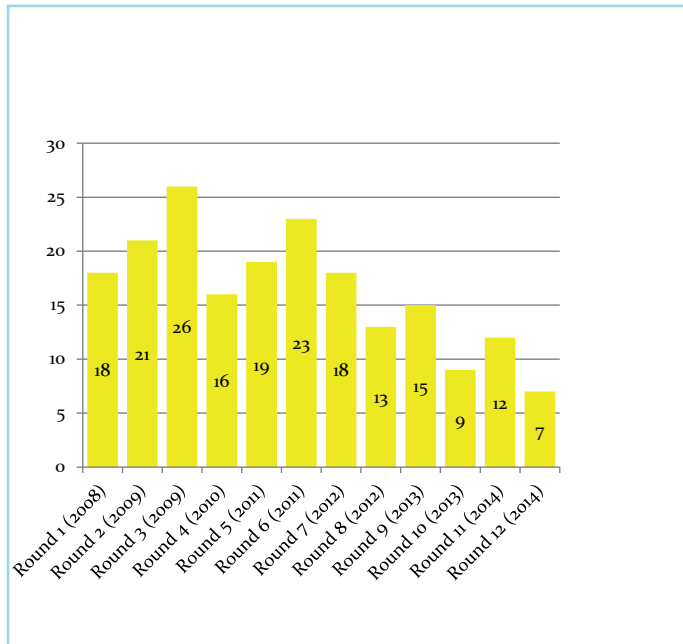


APPENDIX 1 - GRANTS APPROVED IN 2014

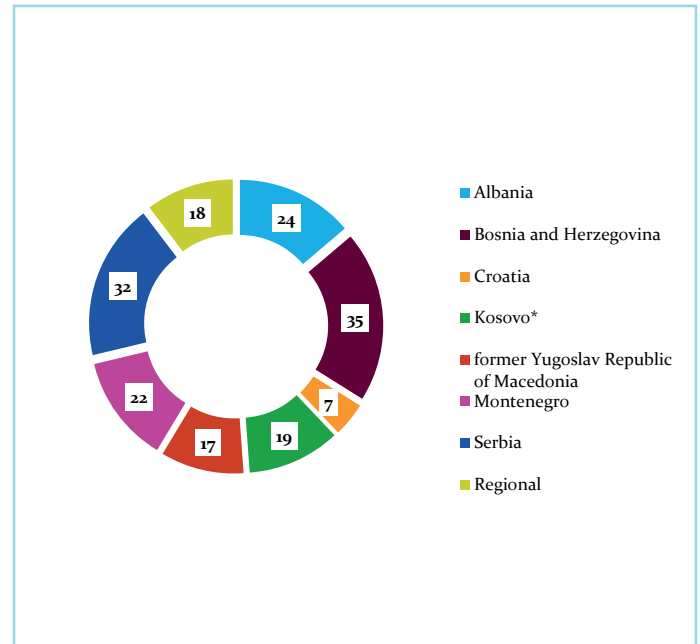
Project Code	Title of Operation	Beneficiary	Services Requested	Grant Value (€)	Lead IFI	Estimate Loan (€)	Total estimated investment (€)
WB11-ALB-ENE-01	Gas master plan for Albania	Albania	I	1,100,000	EBRD		
WB11-REG-ENV-01	Sava river basin flood management	Regional	O	2,000,000	WB		
WB11-SER-SOC-01	Judiciary facilities - Kataniceva building	Serbia	SofW	380,000	EIB	45,000,000	87,050,000
WB11-SER-SoC-02	Prison facilities extended TA	Serbia	TMA	110,000	CEB	35,000,000	58,670,000
WB11-REG-SOC-01	SEECEL implementation support	Regional	ATP; SofW	1,200,000	EIB	3,900,000	26,000,000
WB11-KOS-TRA-01	N9 Pristina road section Kijeva-Klina to Zahaq	Kosovo*	EIA; FS; PD	800,000	EIB	40,000,000	60,800,000
WB11-KOS-TRA-02	Highway section E, Pristina - Merdare	Kosovo*	EIA; FS; PD	500,000	EBRD	100,000,000	150,000,000
WB11-MKD-TRA-01	Railway corridor VIII Kumanovo - Deve Bair, section Baljakova - Kriva Palanka	former Yugoslav Republic of Macedonia	SofW	3,000,000	EBRD	149,500,000	181,700,000
WB12-ALB-ENE-01	Detail design for 400 kV OHTL interconnection Elbasan-Bitola (Albanian part) incl. substation Elbasan 2 extension	Albania	DD	600,000	KfW	22,000,000	28,600,000
WB12-BIH-ENV-02	Water and Sanitation Project in Republika Srpska	Bosnia and Herzegovina	ATP; DD; TMA	1,500,000	EIB	50,000,000	100,000,000
WB12-BIH-ENV-04	Preparation of Flood Hazard Maps, Flood Risk Maps and Support to the PMU of the Flood Risk Management Project	Bosnia and Herzegovina	DD; FS; PD; SD; TMA	4,880,000	EIB	74,000,000	102,980,000
WB12-MKD-SOC-01	Project for reconstruction of penitentiary institutions in Republic of Macedonia	former Yugoslav Republic of Macedonia	SofW; TMA	350,000	CEB	46,000,000	52,350,000
WB12-SER-SOC-01	Extended technical assistance for the modernisation of prison facilities in Serbia	Serbia	SofW	1,430,000	CEB	35,000,000	58,840,000
WB12-KOS-TRA-01	Supervision of the construction works in rehabilitation of Railway Route 10 - FusheeKosove - former Yugoslav Republic of Macedonia border (Phase 1)	Kosovo*	SofW	1,400,000	EBRD	71,000,000	94,000,000
WB12-MNE-TRA-01	Detailed Design and tender Documents for the reconstruction of the Road Scepan Polje-Pluzine	Montenegro	DD; TD	3,500,000	EBRD	70,000,000	73,500,000

APPENDIX 2 - SUMMARY OF WBIF OPERATIONS TO DATE

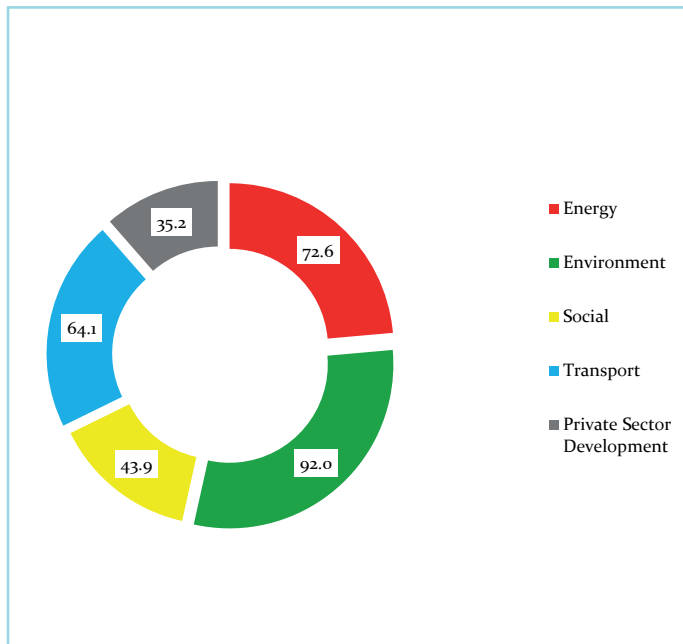
Grants to date by round (number)



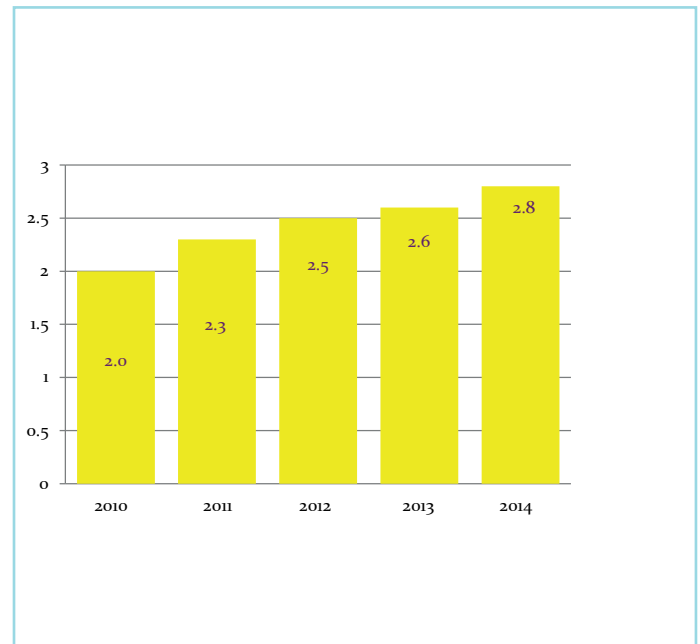
Grants to date by beneficiary (number)



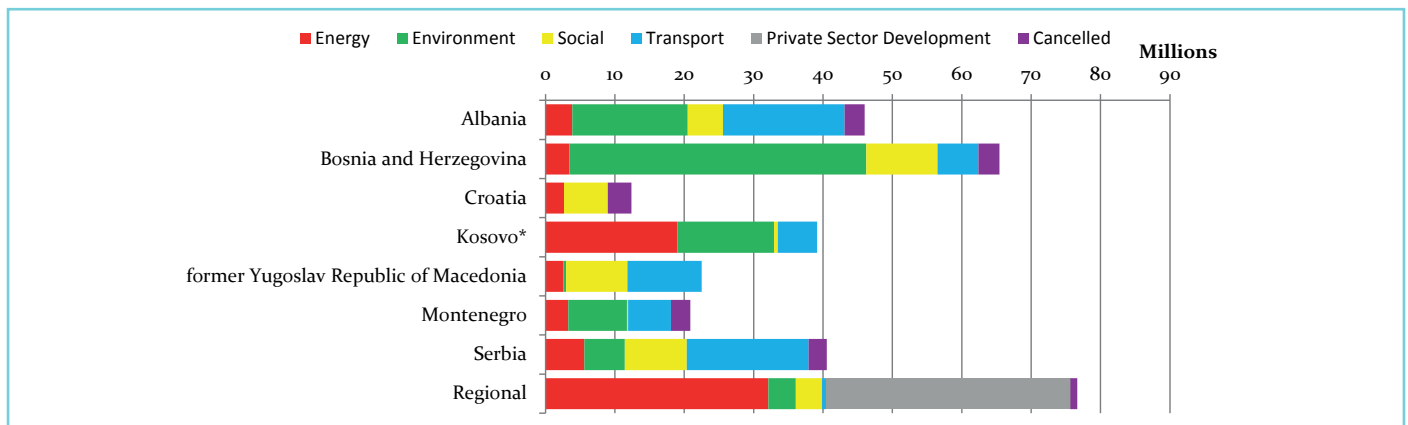
Grants to date by sector (EUR million)



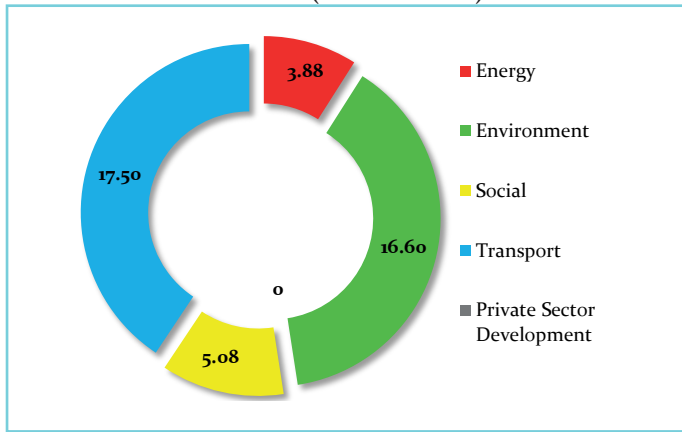
Signed loans to date (EUR billion)



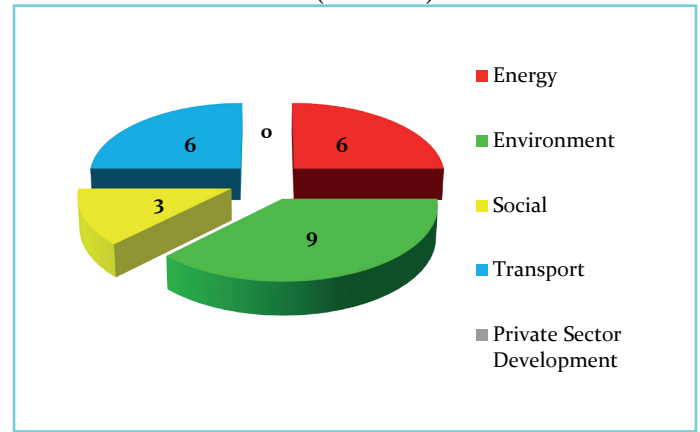
Grants by beneficiary country and sector



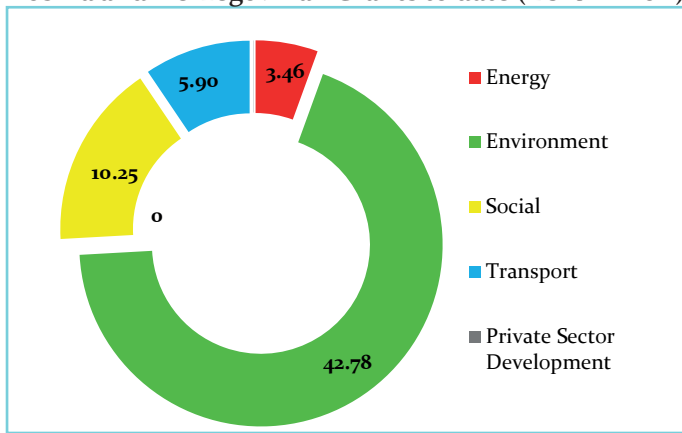
Albania - Grants to date (EUR million)



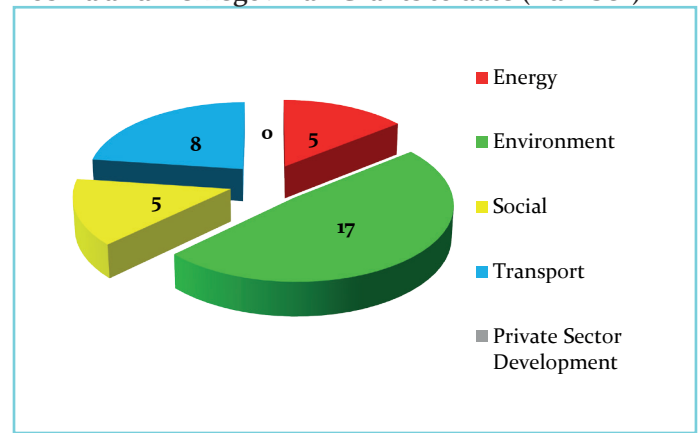
Albania - Grants to date (number)



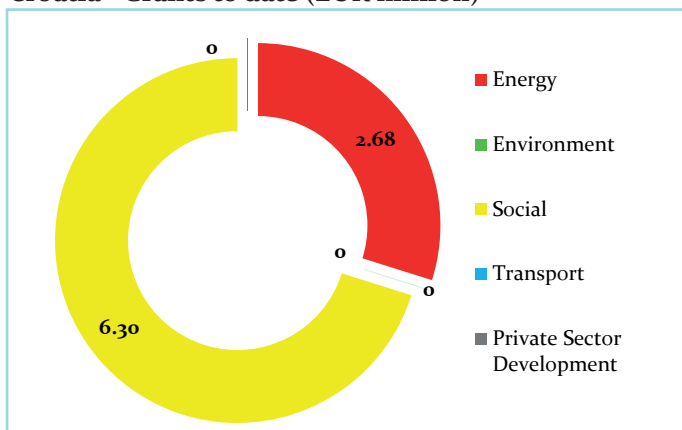
Bosnia and Herzegovina - Grants to date (EURmillion)



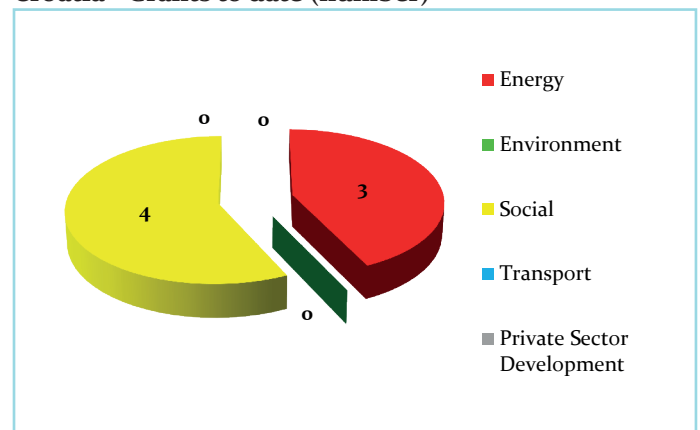
Bosnia and Herzegovina - Grants to date (number)



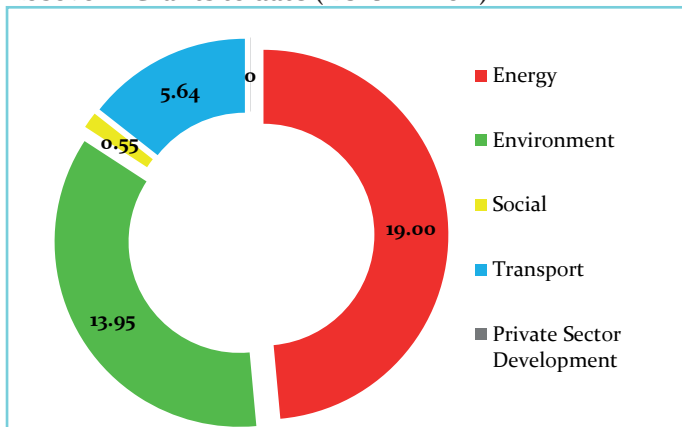
Croatia - Grants to date (EUR million)



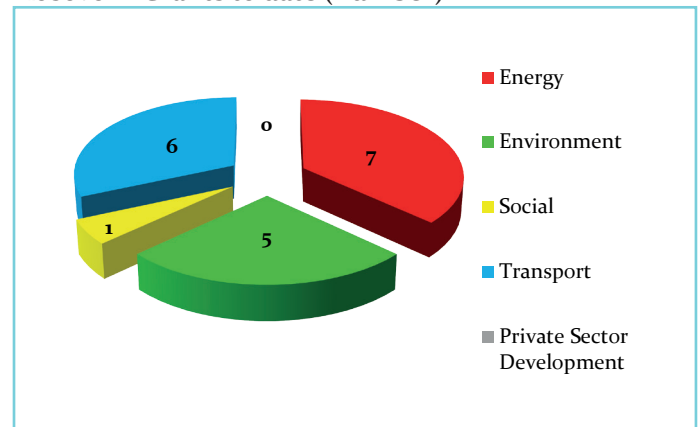
Croatia - Grants to date (number)



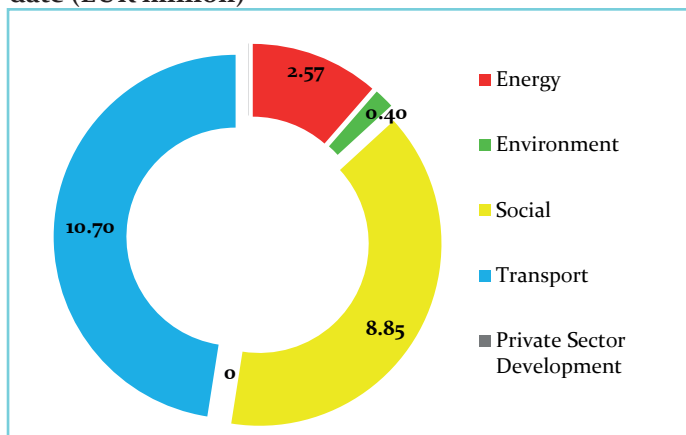
Kosovo* - Grants to date (EUR million)



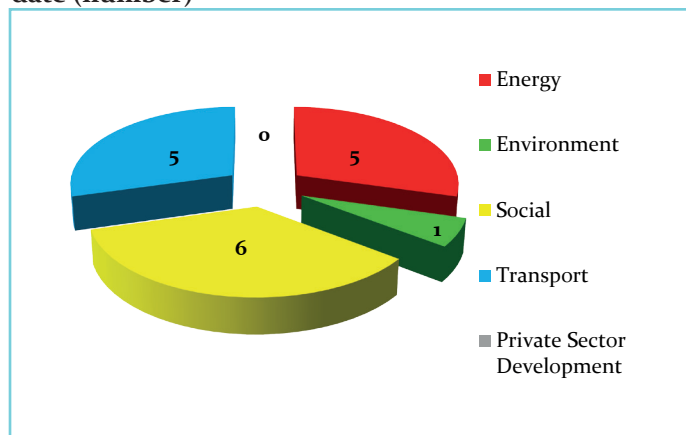
Kosovo* - Grants to date (number)



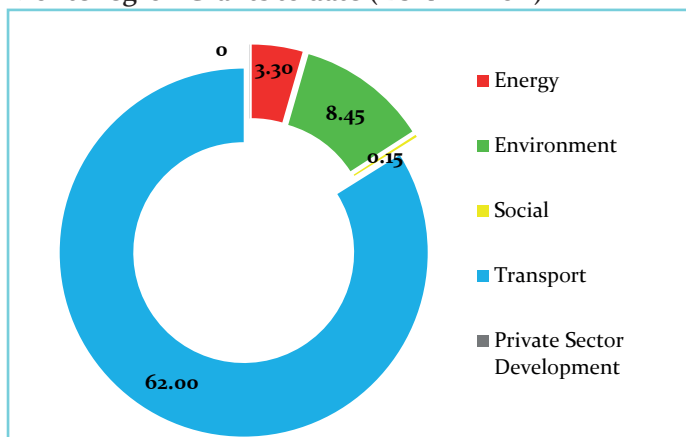
former Yugoslav Republic of Macedonia - Grants to date (EUR million)



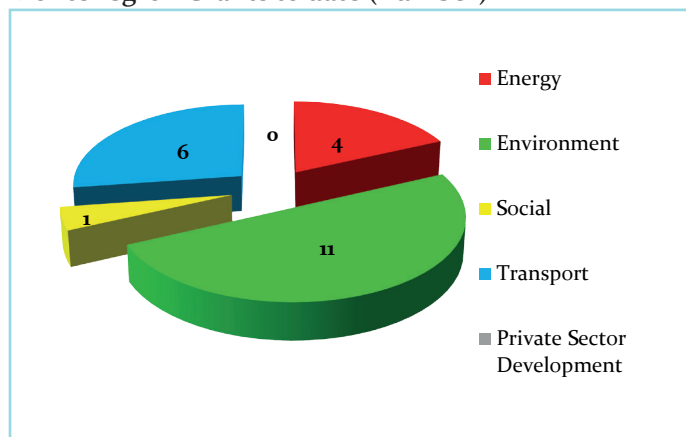
former Yugoslav Republic of Macedonia - Grants to date (number)



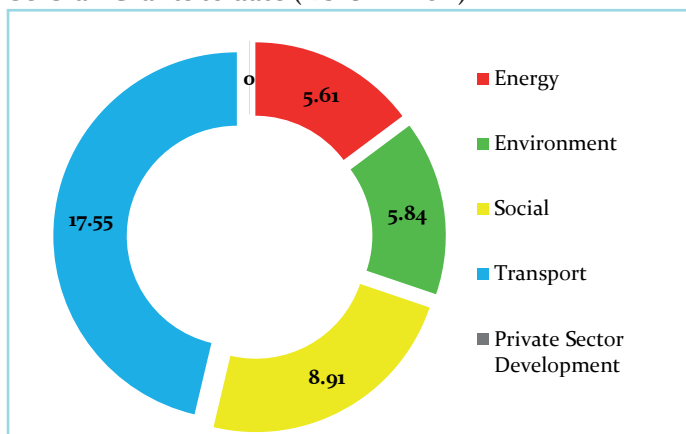
Montenegro - Grants to date (EUR million)



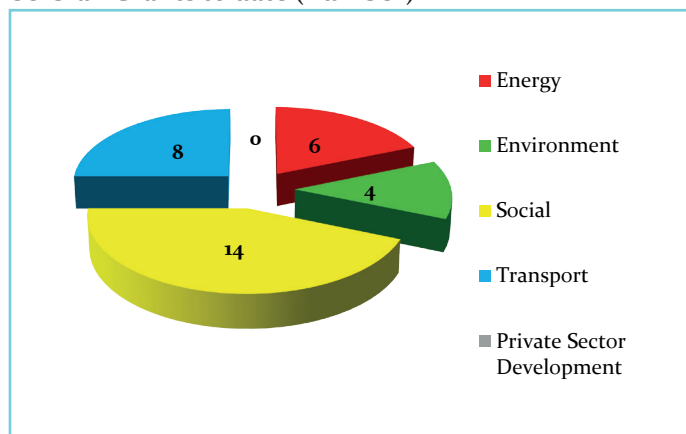
Montenegro - Grants to date (number)



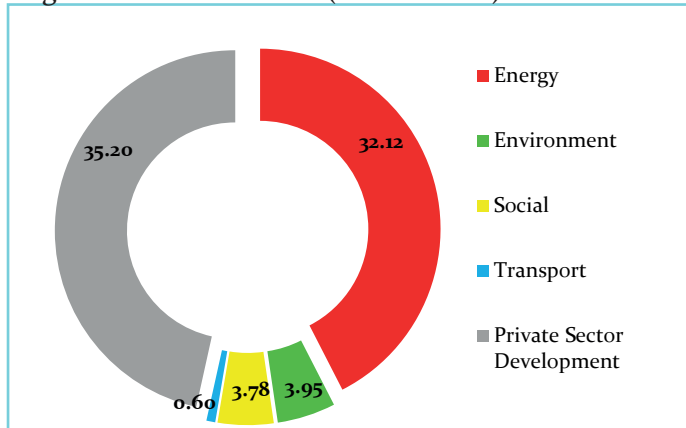
Serbia - Grants to date (EUR million)



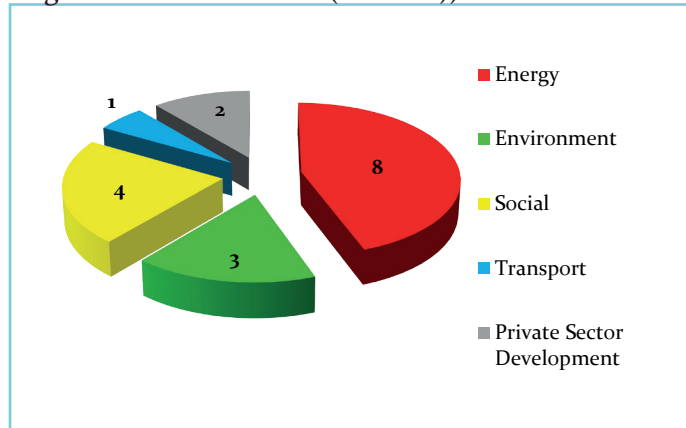
Serbia - Grants to date (number)



Regional - Grants to date (EUR million)



Regional - Grants to date (number)



GLOSSARY

CEB	Council of Europe Development Bank	Grant Types	
CMZRB	Českomoravská záruční a rozvojová banka	ATP	Assistance to Tendering Process
EBRD	European Bank for Reconstruction and Development	CD	Concept Design
EC	European Commission	CF	Co-financing
EE	Energy Efficiency	DD	Detailed Design
EIB	European Investment Bank	EFA	Economic and Financial Appraisal
EIF	European Investment Fund	EIA	Environmental Impact Assessment
EPBD	Energy Performance of Buildings Directive	FAA	Financial Affordability Analysis
ESCO	European Energy Service Companies	FR	Feasibility Report
EWBJF	European Western Balkans Joint Fund	FS	Feasibility Study
IBRD	International Bank for Reconstruction and Development	I	Identification
IFI	International Financing Institution	IRS	Interest Rate Subsidy
IPA	EU Instrument for Pre-Accession Assistance	MD	Main Design
IPF	Infrastructure Project Facility	O	Other
JGF	Joint Grant Facility	OP	Operational Plan
KfW	KfW Entwicklungsbank (KfW Development Bank)	PD	Preliminary Design
MIS	Management Information System	PFS	Pre-Feasibility Study
MoU	Memorandum of Understanding	PIU	Support to Project Implementation Unit
N/A	Not Applicable	RBMP	River Basin Management Plan
NEEAPS	National Energy Efficiency Action Plans	SD	Sector Development
NIPAC	National IPA Coordinator	SIA	Social Impact Assessment
OeEB	Oesterreichische Entwicklungsbank	SofW	Supervision of Works
PFG	Project Financier's Group	TMA	Technical and Management Assistance
PFI	Private Finance Initiative		
PMU	Project Management Unit		
RCC	Regional Cooperation Council		
REBIS	Regional Transport Study		
REEP	Regional Energy Efficiency Programme		
SC	Steering Committee		
SEE	South East Europe		
SEECCEL	South East European Centre for Entrepreneurial Learning		
SEETO	South East Europe Transport Observatory		
SHPP	Small Hydropower Plant		
SID Bank	Slovenska izvozna in razvojna banka		
SME	Small and Medium-sized Enterprises		
TA	Technical Assistance		
ToR	Terms of Reference		
WB	World Bank Group		
WB EDIF	Western Balkans Enterprise Development and Innovation Facility		
WBF	EBRD Western Balkans Fund		
WBIF	Western Balkans Investment Framework		
WeBSEDF	Western Balkans Sustainable Energy Direct Financing Facility		
WeBSEFF	Western Balkans Sustainable Energy Financing Facility		

CONNECTING PROJECTS WITH INVESTMENT FUNDS

JOINT PARTNERSHIP OF:



IN COOPERATION WITH:



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