



Kosovo\*



March 2023

# Economic and Investment Plan for the Western Balkans

The **Economic and Investment Plan for the Western Balkans** (EIP) is the long-term recovery plan of the region. It accelerates the twin green and digital transition, and fosters regional cooperation and convergence with the EU. The EIP identifies 10 investment flagships to support sustainable transport, clean energy, environment and climate, digital future, human capital and private sector.

In the next six years the European Commission will mobilise close to **€30 billion**, one-third of the current GDP of the Western Balkans. **€9 billion** will come in the form of EU grants from the Instrument for Pre-accession Assistance (IPA) and this is expected to leverage more than **€20 billion** additional investments through the Western Balkans Guarantee Facility. The EIP is the main vehicle to implement the **Global Gateway** in the Western Balkans.

The **Western Balkans Investment Framework** (WBIF) is the main financial tool to implement the EIP's investment flagships. The EIP is also implemented via IPA bilateral funding to support national high priority projects. The WBIF was established in 2009 as a joint financial platform of the European Commission, international financial institutions, EU Member States and Norway, and hence fully in line with the **Team Europe** approach. WBIF aims at enhancing cooperation in public and private sector investment for the socio-economic development of the region, accelerating the European perspective for the Western Balkans.

#TeamEurope

### Achieved results 2009 – 2022

- 9.7 MW renewable energy generation capacity installed
- District heating system rehabilitated in Pristina for 13,500 customers
- 49 km of railway lines rehabilitated
- Safe drinking water for 550,000 people

### Expected results 2023 – 2030

- 27 km of motorway built
- 165 km of railway lines rehabilitated
- 130 MW renewable energy generation capacity installed
- Improved water and sanitation services for 1.3 million people

### Public sector

- €297m WBIF grant
- €2bn estimated investment
- €529m regional guarantee coverage to support infrastructure projects
- €1.4bn IPA bilateral funding

*All figures since inception*

### Private sector

- €493m estimated financing for SMEs (incl. EDIF, EFSE, GGF, REEP)
- €408m regional guarantee coverage to support access to finance for SMEs

*All figures since inception*



"WBIF projects are changing the quality of life in Kosovo. The water supply and district heating have provided Pristina with 24/7 water and lower bills. The Railway Route 10 and Pristina - Merdare Highway will integrate Kosovo into main transport networks."

**Ambassador Tomáš Szunyog**  
Head of EU Office and EU Special Representative to Kosovo

<h3>Implementation of the Economic and Investment Plan for the Western Balkans</h3> <p><b>Flagship 1 Connecting East to West</b> The Peace Highway in Kosovo, linking Pristina with Niš in Serbia, will be completed.</p> <p><b>Flagship 2 Connecting North to South</b> The railway route connecting Belgrade with Pristina will be further upgraded through construction works in Kosovo.</p>	<p><b>Flagship 4 Renewable energy</b> Solar district heating will be introduced in Pristina, and the preparations for the Ibër-Lepenc Hydro System accelerated.</p> <p><b>Flagship 5 Transition from coal</b> The Kosovo – North Macedonia Gas Interconnection will be prepared for construction.</p> <p><b>Flagship 7 Waste and waste water management</b> The construction of the waste water treatment plant in Pristina will be completed.</p>	<p><b>Flagship 8 Digital infrastructure</b> The broadband roll-out will continue – with the completion of the most advanced investment projects by 2024.</p> <p><b>Flagship 9 Competitiveness of the private sector</b> Increase of grant amount and guarantee capacity for the private sector, and assistance for rural development.</p>
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## WBIF project examples



**Flagship 1 Connecting East to West**

### Kosovo – Serbia Road Interconnection: Peace Highway, Pristina – Merdare Section

€84.2m WBIF EU grant

€207.7m estimated investment

Expected completion: **2026**



**Flagship 4 Renewable energy**

### Solar4Kosovo - Photovoltaic Power Plant

€32.8m WBIF EU grant

€104.5m estimated investment

Expected completion: **2026**



**Flagship 4 Renewable energy**

### Solar4Kosovo II – Solar District Heating for Pristina

€22.3m WBIF EU grant

€81.5m estimated investment

Expected completion: **2027**

## €1 billion Energy Support Package

The package addresses immediate, short- and medium-term needs in the Western Balkans to accelerate decarbonisation, and improve the energy security of the region.

The European Commission will provide up to **€500m** in immediate budget support to mitigate the impact of high energy prices for small and medium-sized enterprises, keep energy prices affordable for vulnerable households and support policy measures to accelerate the energy transition.

**An additional €500m** is channelled through the WBIF for the priority infrastructure projects, the Regional Energy Efficiency Programme and guarantees to crowd-in private investments in clean energy.

**€75m** in budget support to Kosovo

\* This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.