

ANNUAL REPORT

# 2010

## WBIF

### Western Balkans Investment Framework

December 2010



EUROPEAN  
COMMISSION



# The **WBIF** and EU Enlargement



The fifth enlargement of the EU has helped to consolidate democracy and the rule of law in Europe. It has enhanced economic opportunities and increased the weight of the EU in tackling global challenges. In the past few years the Western Balkans have moved closer to EU membership as the region has made progress in reforms and in meeting established criteria and conditions. Challenges remain, but the renewed consensus on enlargement, as agreed by the December 2006 European Council, continues to provide the way forward.

The Western Balkans Investment Framework (WBIF) was introduced as a regional tool for EU Enlargement. It aims to enhance harmonisation and co-operation in investments for the Western Balkans' socio-economic development. It aims to streamline existing European Commission-funded facilities, and to pool resources from the EC, the partner IFIs (the Council of Europe Development Bank (CEB), the European Bank for Reconstruction and Development (EBRD), and the European Investment Bank (EIB)), and bilateral donors. Efforts should result in better donor coordination and increased capacity to finance crucial infrastructure in line with accession priorities. The WBIF aims to maximise the impact of EU and bilateral funding by using it to leverage lending by the international financial institutions on accession priorities identified by the Western Balkan beneficiaries. Governed by a Steering Committee and a Project Financiers' Group, the WBIF is available to the beneficiary governments in the Western Balkans.



## What is the **WBIF**?

Officially launched in December 2009, the Western Balkans Investment Framework is a joint initiative of the European Commission together with the Council of Europe Development Bank (CEB), the European Bank for Reconstruction and Development (EBRD), and the European Investment Bank (EIB) (collectively referred to as the “partner IFIs”), endorsed by the European Council. It is an innovative financing initiative which pools grant resources in order to leverage loans for the financing of priority infrastructure in the Western Balkans. Its scope is likely to expand beyond infrastructure into the socio-economic and energy efficiency-related areas.

### **GEOGRAPHICAL SCOPE**

Projects receiving a grant contribution from WBIF must be on the territory of one or more of the following beneficiaries in the Western Balkans: Albania, Bosnia and Herzegovina, Croatia, the former Yugoslav Republic of Macedonia, Montenegro, Serbia and Kosovo\*.

### **SECTOR PRIORITIES**

Investment projects should support any sector that contributes to the economic, social and environmental development of the Western Balkans. Eligible sectors include infrastructure development within the environment, energy, transport and social sectors. Priority projects are defined and proposed by the beneficiaries.

### **FINANCING**

The WBIF provides grant resources to projects likely to be supported by loans from the partner IFIs and other financing partners. Grants have the objective of preparing projects, accelerating existing loans or enabling projects by bridging a funding gap. The WBIF offers beneficiaries an integrated financial package for investment projects in priority infrastructure. These grant resources originate from: the EC Instrument for Pre-Accession (IPA); grant contributions from the CEB, the EBRD and the EIB; and bilateral grant contributions from bilateral donors through the European Western Balkans Joint Fund (EWBJF).

### **Participating Financial Institutions and Donors**

- **Multilateral** International Financial Institutions: the Council of Europe Development Bank (CEB), the European Bank for Reconstruction and Development (EBRD) and the European Investment Bank (EIB) and;
- **Bilateral** development finance institutions: Czech Export Bank, Hungarian Development Bank, KfW Entwicklungsbank (KfW), Slovenia SID Bank and Austrian Development Bank;
- **Donors:** Austria, Canada, Czech Republic, Denmark, Finland, Germany, Greece, Hungary, Ireland, Italy, Luxembourg, The Netherlands, Norway, Poland, Slovak Republic, Slovenia, Spain, Sweden, and the UK.

\* Under UNSCR 1244/1999



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## WBIF foreword

### Štefan Füle

Štefan Füle

Member of the European Commission responsible for Enlargement and European Neighbourhood Policy (2010-2014)



“The European Union’s current enlargement process is taking place against the background of a deep and widespread recession. The financial and economic crisis has affected both the EU and the enlargement countries. Over the same period the EU has received four new applications for membership from Montenegro (December 2008), Albania (April 2009), Iceland (July 2009) and Serbia (December 2010). These applications further demonstrate the EU’s power of attraction and its role in promoting stability, security and prosperity.

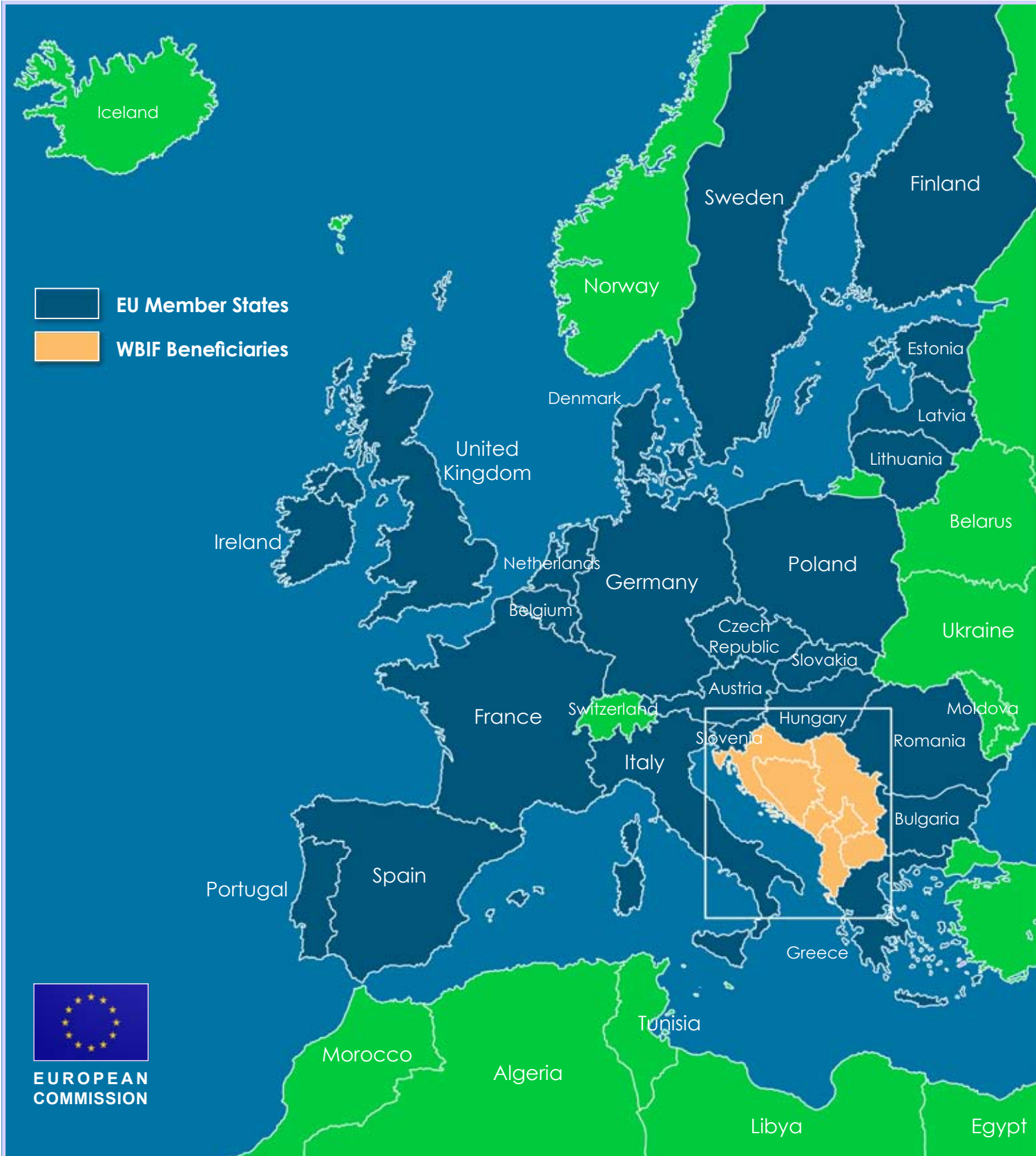
Against the background of economic uncertainty, the Western Balkans Investment Framework (WBIF) has proved to be an even more important, tangible tool of European support to the economic development and stability of our Western Balkans neighbours. It demonstrates Europe’s commitment to stand close to our partners in times of need and to support beneficiaries’ key investment priorities. EU grants provided through the WBIF are helping to launch key infrastructure projects by enhancing the attractiveness of financing packages provided by European Public Finance Institutions.

The fund has been very active in meeting its main objective which is pooling stakeholders’ resources (grants and loans) and expertise together to finance projects, as well as strengthening coordination among donors and beneficiaries. A total of 81 grants were approved under the framework for a total value of €139.2 million. Of these, 69 grants concern technical assistance and 12 investment cofinancing (IPF Municipal Window), altogether corresponding to investments of an estimated total value of €6.8 billion. There is a relatively balanced distribution by volume of grants by sector, with the environment accounting for 49%, followed by transport with 26%, energy with 16% and the social sector with 9%.

The substantial results already achieved by WBIF have been possible thanks to the full cooperation of our beneficiaries, on the one side, and our financing partners, the European Public Finance Institutions, on the other. With the co-financing operations presented by the European Public Finance Institutions, the WBIF is effectively contributing to increased cooperation and coherence of action among European development actors, in line with both the Paris Declaration and the Accra Agenda for Action. Even more fundamentally, the WBIF has increased the visibility and reinforced the political leverage of the EU as a development and cooperation partner.

The positive feedback on the WBIF received from our partners clearly illustrates the added value that the framework provides. I am confident that WBIF, supported by its partners, has the capacity to continue playing a fundamental role in fostering infrastructure and financial sector development in the Western Balkans.

As the EU’s Commissioner for Enlargement and European Neighbourhood Policy, I am proud that the WBIF is achieving such palpable success and provides a comprehensive answer to our partners’ expectations. It makes a central contribution to fostering regional cooperation and economic prosperity, corner stones of the EU Enlargement process.”





Number of projects supported by WBIF

**73**

WBIF grants allocated to approved projects

**€139 million**

Target IFI resources to be leveraged

**>€3 billion**

Total project value

**>€6 billion**

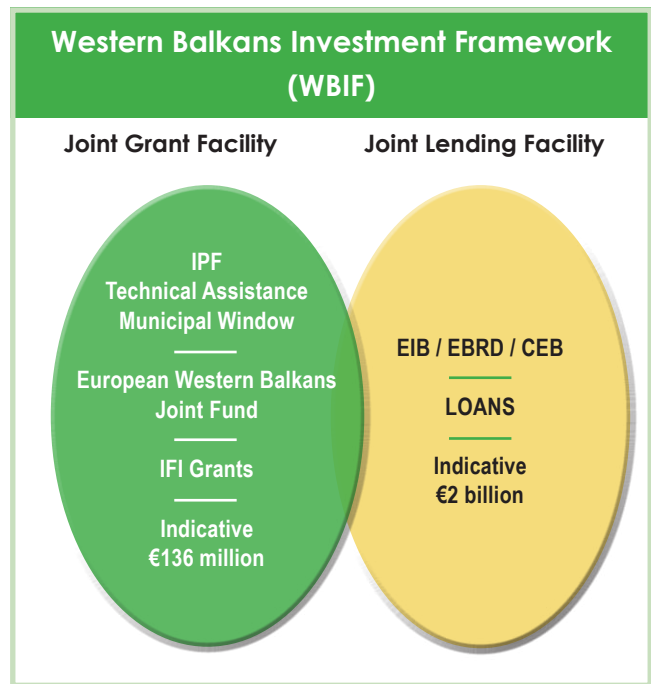
**WBIF approved grants (€ million)**

	Albania	36.5
	Bosnia and Herzegovina	34.6
	Croatia	0.8
	former Yugoslav Republic of Macedonia	4.0
	Kosovo*	28.5
	Montenegro	9.6
	Serbia	24.6
	Regional	0.65

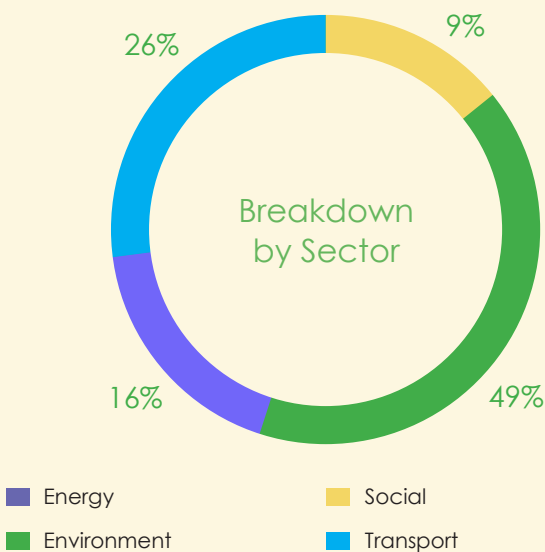
\* Under UNSCR 1244/1999

# WBIF 2 WBIF 2009/10 highlights

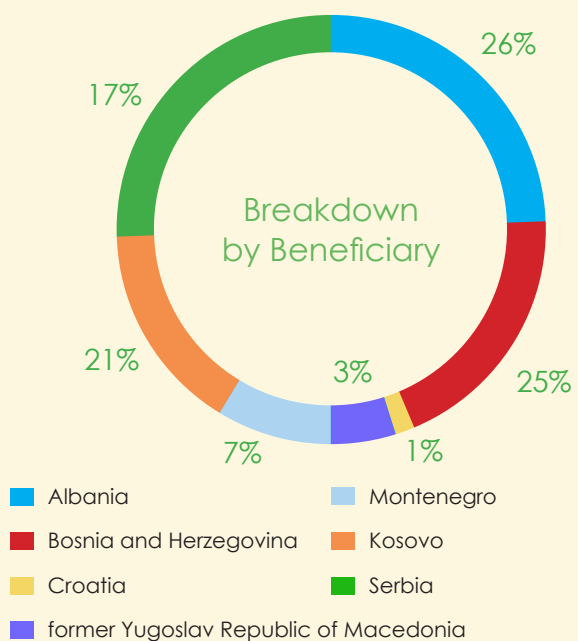
- **WBIF was launched in December 2009** integrating the EC-funded IPF pipeline which consisted of 27 grants receiving technical assistance and 12 grants receiving grant co-financing.
- Since its launch in 2009, WBIF has **approved 42 grant requests** from beneficiaries bringing the total grant contribution awarded under the **Joint Grant Facility** to €139 million. This facility pools resources from the EC with those from three partner International Financial Institutions and bilateral donors.
- WBIF is supporting a total of 73 projects (through 81 grants) representing a **total potential investment of approximately €6 billion**. The aim is to achieve co-financing of these projects under a **Joint Lending Facility** which will **exceed €3 billion**.
- The focus in 2010 was solely on the infrastructure sector.



Total approvals to end 2010



% of total WBIF grants





# WBIF 3 WBIF coordination and strategy

## Innovative Strategy

The WBIF is a joint initiative of the European Commission and the partner international financial institutions which provides a collaborative approach towards the financing of investments in the Western Balkans, supporting the advancement of the accession process. Beneficiary ownership, strategic coherence and long-term sustainability are the guiding principles behind the process governing the selection and implementation of the projects. As illustrated in this Annual Report, the beneficiaries underline the fact that the WBIF contributions are aligned with their needs and priorities as well as with the EU strategy for enlargement.

The Commission has encouraged cooperation among the international financial institutions and worked to promote a harmonised approach by the IFIs towards the beneficiaries (selection process, pooling of resources and co-financing). The WBIF's underlying logic is one of improved donor coordination, division of labour and harmonisation of procedures.

The agreement signed between the Commission, the beneficiaries and the partner IFIs in December 2009 clarifies the roles and responsibilities of each institution. Grant contributions from different sources are pooled within the Joint Grant Facility to support operations jointly financed by institutions collaborating within the Joint Lending Facility.

For each WBIF project, a partner IFI acts as the lead international financial institution, coordinating implementation with the beneficiary on behalf of the others. This innovative approach should significantly reduce transaction costs for the partner country and increase the effectiveness and visibility 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.




















## WBIF Sources of Financing

The resources of the Joint Grant Facility originate from:

- Grant resources allocated from the EC Instrument for Pre-Accession (IPA)
- Grant contributions from the CEB, the EBRD and the EIB
- Bilateral grant contributions from bilateral donors through the European Western Balkans Joint Fund (EWBJF)

"For the period 2008-2010, the European Commission has committed to contribute €130 million to the WBIF. The three partner IFIs have each committed €10 million and 19 donor countries have pledged €25.8 million (see table below). These latter contributions are managed in a dedicated Trust Fund called the European Western Balkans Joint Fund and are jointly managed by the EIB and EBRD."

## At the end of 2010, €25.8 million had been pledged to the EWBJF by bilateral donors\*

 Austria	 Luxembourg
 Canada	 The Netherlands
 Czech Republic	 Norway
 Denmark	 Poland
 Finland	 Slovak Republic
 Germany	 Slovenia
 Greece	 Spain
 Hungary	 Sweden
 Ireland	 UK
 Italy	

\* see Annex on page 30 for full details

# WBIF 3



"Many Beneficiaries are endowed with plentiful natural resources for the production of renewable energy."

## The WBIF is a key financing tool supporting the implementation of national, regional and multilateral processes

National priorities targeting progress towards EU accession are supported in close collaboration with the EU Delegations

- The National IPA Coordinators within each beneficiary determine national priorities after consultation with the relevant ministries. The EU Delegations are consulted to ensure that planned projects are consistent with national strategies and the EU Directorates General verify that they are aligned with EU policy.
- Pooling of resources is used to leverage maximum value from the grant contributions. Where appropriate, WBIF contributions are combined with ongoing IPA funding to maximise the viability of the projects, streamlining project preparation and future lending possibilities. For some 12 projects, the EU has been able to bridge the projects' funding gap with grant co-financing investment, thus making the projects viable.

WBIF implements projects supported by key regional initiatives for the Western Balkans

- WBIF seeks consistency with the regional priorities identified by the beneficiaries. For instance, six transport projects identified by the South East Europe Transport Observatory (SEETO) are supported by a total of 12 WBIF grants. Assistance in developing new roads has been provided via studies of the Corridor Vc road in Bosnia and Herzegovina and a key part of Route 2b linking Sarajevo to Podgorica. Rehabilitation of the railways in the region is a priority and studies have been carried out on part of the Corridor X railway in Serbia and for rehabilitation of the railway network in Albania.

## THE WBIF SEEN BY EIB

"Good ideas always end up imposing themselves, and the Western Balkans Investment Framework (WBIF) is no exception. As the bank of the European Union, the European Investment Bank strongly supported the establishment of the WBIF and accepted to take direct responsibility in its implementation. It became the first co-chair of its Project Financiers Group and played a key role in promoting its Review after one year of existence. This commitment was natural for the Bank. The EIB has been present in the Western Balkans since 1977 and its cumulated lending in the region over the last ten years stands at EUR 7 bn.

The Bank intends to remain a leading financier of investment in the region in the years to come, fulfilling its role in preparation for EU accession. The WBIF is instrumental in achieving this goal effectively, in close cooperation with the other donors and the beneficiary countries, as it allows for the necessary coordination in the financing of priority investment projects."



**Dario Scannapieco**  
Vice President

- Energy efficiency is a key focus of the Energy Community Treaty to which the beneficiaries are signatories. Cooperation between WBIF and the Energy Community Secretariat identification of priorities for support is ensured. In three countries, studies have been carried out on rehabilitation of parts of the transmission and distribution networks and, in the former Yugoslav Republic of Macedonia, the feasibility of a pilot wind farm has been confirmed.

Trade in energy and the transit of electrical power between WBIF Beneficiaries and the EU is becoming increasingly important.

- The Regional Environmental Network for Accession (RENA) aims to facilitate the exchange of experience and best practice and works at both political and technical levels. The environment sector accounts for the largest number of WBIF project preparation grants with a total of over 45 towns being assisted with wastewater treatment project studies, and investment grants of more than €55M.

The IFIs work together in close collaboration with the EU to implement optimum financing arrangements

- The IFIs and the EU have entered into a number of contribution agreements which specify the EU funds that will be made available for specified projects.
- The IFIs co-finance wherever possible in order to maximise the funding that can be made available.
- Specialisation within the IFIs is used to support specific sectors to best effect. Thus, the CEB, which has a long track record of financing social sector projects at preferential terms, is supporting beneficiaries by planning to finance at least eight projects in the social sector.

The IFI Advisory Group (IFI AG) supports EU and IFI cooperation on strategic EU accession priorities in the Western Balkans and Turkey. It focuses on the same sectors as those covered by the WBIF.

In accordance with its mandate, the Group has an advisory function on strategy and policy and as such it actively contributes to the meetings of the WBIF Steering Committee and Project Financiers' Group. In 2010 the Group reviewed EC, IFI and bilateral donors investments in the water and waste water sector and in energy efficiency as well as priority transport projects identified by SEETO. It is currently conducting a thorough analysis of investment flows into the region and assessing the potential impact of the economic crisis on future investments.



#### THE WBIF SEEN BY THE REPUBLIC OF ALBANIA

"WBIF has proven to be a valuable initiative for the Republic of Albania by assisting with the process of preparing priority infrastructure projects and mobilising the necessary financing. The investments planned fit well within the Albania-EU Stabilisation and Association Agreement (SAA) signed in 2006. With the support of WBIF, the Republic of Albania is benefiting from projects worth more than €350m planned to rehabilitate parts of the railway network, the electricity transmission system, improve infrastructure capital planning for schools, modernise the hospital in the capital Tirana and develop water supply networks, sanitation networks and wastewater treatment plants for a number of municipalities. In general terms, WBIF allocations will contribute to the development of the construction and tourism sector, strengthen socio-economic development and improve the business climate in the country. Finally, I would like to state that we very much appreciate the role of WBIF in donor coordination, ensuring harmonisation of procedures and alignment with national priorities, thus contributing to the efficiency and effectiveness of the assistance, all in line with the objectives of the Paris Declaration and the Accra Agenda for Action".



**Mrs Majlinda Bregu, PhD**  
Minister of European Integration

# WBIF 4 WBIF operations in 2009/10

## 4.1 Overview

The WBIF activities presented in this report demonstrate that the Framework has developed rapidly since its launch in 2009 and is progressing towards achieving its stated objectives. A total of 73 projects are now approved within the project pipeline representing a total potential investment of over €6 billion. The Steering Committee has met twice since December 2009 and has approved 42 grants distributed across all seven of the beneficiaries in the Western Balkans.

The Project Financiers' Group has met four times in order to prepare recommendations for the Steering Committee. It has followed the process below for approving and implementing grant operations:

- Phase I: Upstream work and project identification
- Phase II: Receipt of grant requests submitted by National IPA Coordinators and IFIs

Phase III: Screening and assessment of submitted grants to verify eligibility and quality

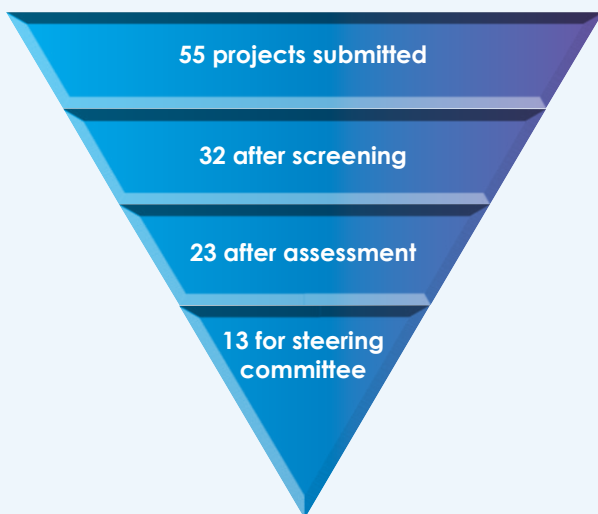
Phase IV: Submission of grant requests by the Project Financiers' Group to the Steering Committee for approval

Phase V: Implementation of grant requests under the coordination of the Project Financiers' Group

The implementation of this process for the approval of the grant requests submitted for the 4th round is illustrated in the graphic below.

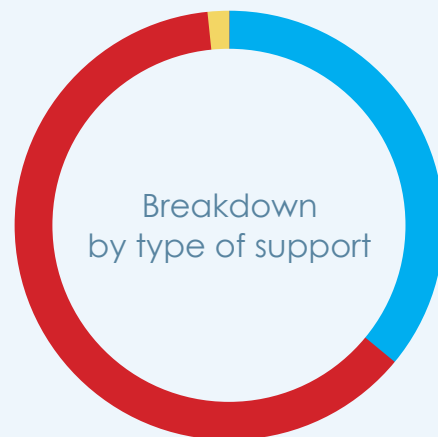
In terms of **sector allocation**, WBIF support is distributed across the energy, environment, social and transport infrastructure sectors. The environment sector received the highest value of grant (49%) while the social sector received the least (9%).

2010 Approvals



4th Round Approval Process

% of total WBIF contributions



- TA
- Investment grant
- Investment rate subsidy

"The construction of key core network road corridors is improving trade and access between Member States and beneficiaries"



The **type of support** provided to beneficiaries by WBIF in response to their requests consists of several forms: technical assistance, grant co-financing investments and interest rate subsidy. The WBIF awarded 69 grants to fund technical assistance (TA) for project preparation or assistance with implementation. The management of these TA assignments is undertaken through the EU-funded IPF project for 53 of the grants with the IFIs directly managing the other 16 grants. A second form of support, provided for 12 of the projects, is in the form of an investment grant enabling the borrower to bridge the funding gap, to lower the cost of financing the project, or to accelerate the implementation of an existing project. In addition, one project is receiving support in the form of a subsidy for interest rate payments.

Over 90% of WBIF projects have a lending opportunity with at least one of the partner IFIs with an increasing number benefiting from two or more of them. Most importantly, a number of projects that were initially without financial support now have it as a result of the streamlined project preparation carried out by the WBIF. Currently, the **leverage effect** engendered by WBIF is high: for each €1 grant spent, the total investment created was €44. This will be monitored as further commitments and disbursements are concluded, loans approved and national contributions secured.

Out of the €139.2 million approved to date, €116.8 million have been allocated from the EU budget, €11.1 million from the European Western Balkans Joint Fund and €11.3 million from the partner IFIs. There is strong demand from the beneficiaries in terms of the number of project applications with 55 requests received in March 2010. Limitations on EU funds (in the form of consultancy services) restricted the number of applications approved in June 2010 to 13 and led to the decision not to seek further requests in 2010. Identification of resources to maintain the momentum for the Framework and meet stakeholder expectations has been the focus for the second half of 2010.



## THE WBIF SEEN BY EBRD

"The WBIF seeks to maximise the use of donor funding and financing by coordinating IFI interventions and offers new opportunities to the Bank to fulfil its strategy in the Western Balkans. The global financial crisis has given new impetus to such coordination, with policy makers calling for stronger collaboration between beneficiary governments, the EU, IFIs, bilateral donors and regional bodies focussing on the priority sectors of energy, environment, infrastructure and social development.

In terms of the EBRD's portfolio, the infrastructure sector, including transport, municipal and environmental infrastructure, has benefited the most. The development of key trans-European road and rail corridor projects requires substantial donor funded support for preparation and implementation. A good example of EBRD/EIB collaboration in this sector is the Albania Regional Roads project which secured €4 million in grant support at the first Steering Committee in December 2009.

Policy dialogue has been a key focus in 2010 and considerable progress has been made to further strengthen relationships between beneficiary governments, particularly those units focussing on European integration, and IFIs as well as to align the work of regional bodies more closely with the activities of the WBIF. EBRD strongly supports this ongoing policy dialogue particularly as the WBIF considers expanding its support in 2011 to regional, or multi-country, projects involving more than one beneficiary, as well as further development of the private sector".



**Jan Fischer**  
Vice President,  
Operational  
Policies



## 4.2 Projects approved

### Energy

Fourteen energy projects have been approved accounting for a WBIF contribution of €22.2 million. The projects cover several sub-sectors but are predominantly focussed on improving the energy efficiency of the existing transmission and distribution networks through rehabilitation and regional interconnections. Four sample projects are presented below:

former Yugoslav Republic of Macedonia	
Pilot wind park development	
Total cost	€75 million
WBIF grant	€0.40 million
Lead Financial Institution	KfW
Type of WBIF support	TA (Feasibility study)

The Energy Law in the former Yugoslav Republic of Macedonia has created a framework for renewable energy generation and a strategy for its development is being implemented. The electricity generation company, ELEM, wishes to develop a pilot wind farm to demonstrate the technology, prove the viability of wind energy, and to encourage private investment in further such renewable energy projects. This project will contribute to the goal of improving the security of energy supply while at the same time reducing the negative environmental impacts of energy use and helping to mitigate climate change. A feasibility study of the wind farm was carried out as part of the IPF programme. The study investigated the feasibility of locating the facility at Bogdanci in the South East of the former Yugoslav Republic of Macedonia and included a programme of wind measurements to determine the energy resources. A facility composed of some 35 machines with a total installed capacity of 52.5 MW was recommended for an investment cost of approximately €75m. A workshop was held to present the project to interested financial institutions and a financing plan has been developed with the IFIs supporting the IPF programme.

Kosovo	
District heating and energy efficiency	
Total cost	
Improvement of district heating system	€38.9 million
District heating and energy efficiency	€25 million
WBIF grant	
TA for energy efficiency feasibility study	€0.3 million
Grant co-financing for district heating	€14 million
Lead Financial Institution	KfW
Co-financing	EC
Type of WBIF support	TA and grant co-financing

The project objective consists of the rehabilitation, extension and upgrade of the existing heating network (inclusive of environmental protection measures) for Pristina and possibly for Gjakova and Mitrovica.

The expected impact of the project consists of: a) Improved infrastructure management and regulation resulting in the introduction of a metering and consumption-based billing system, the establishment of a cost-recovery tariff system taking into account low-income households and improved collection rates. b) The quantitative impact of the project on the existing status of infrastructure targets the increase of heat generation efficiency to 88%, a reduction of losses to 10%, staff productivity improved to 1 employee per GWh, and meter coverage improved to 100%. c) The qualitative impact of the project consists in the rehabilitation, extension and upgrade of district heating systems, the reduction of heat consumption due to the installation of thermostats and meters, the reduction of pollutants, the improvement of energy efficiency by reducing the loss of heat and water, and the institutional strengthening of the district heat provider (Thermokos).

The objective of the technical assistance study is to update and re-evaluate an earlier feasibility study carried out in 2005 and 2009 for supplying heat from the lignite-fired power plant Kosovo B (PPKB) to the District Heating (DH) System in Pristina. The revision of the study will also identify the least-cost solution for supplying the City of Pristina with heating services. The study began in May 2010 and a draft final report was presented in October 2010.



## Montenegro

### Electricity network development programme

Total cost	€100 million
WBIF grant	€1.85 million
Lead Financial Institution	EBRD
Co-financing	-
Type of WBIF support	TA (Identification, pre-feasibility study and feasibility study)

The aim of the project is to support Montenegrin Electric Enterprise in identifying and prioritizing individual transmission and distribution projects and to assist in the development of pre-feasibility studies for transmission protection replacement and for the procurement and supply of half-hourly meters. The objective of this consultancy is twofold; firstly to support the beneficiary in identifying and prioritizing individual transmission and distribution projects, both in the action plan for the current period 2008-2012, and also for the next period 2012-2017. Secondly, to assist in the development of a pre-feasibility study for transmission protection and control replacement. As a result of the work to date, 22 investment requirements have been identified as of crucial importance to enable energy system upgrades and most priority investments were organized into 4 investment projects. In addition it has identified potential IFI support to EPCG distribution for the procurement and supply of half-hourly meters. Finally, recommendations have been made as to the projects to be studied to feasibility level in the final phase of the project. The project was started in January 2009 with completion of the pre-feasibility studies in October 2009.

## Serbia

### Interconnection with Bulgaria Gas Transmission Pipeline

Total cost	€62.5 million
WBIF grant	€1.0 million
Lead Financial Institution	EBRD
Co-financing	-
Type of WBIF support	TA (Feasibility study)

The planned bi-directional high pressure gas transmission pipeline between Bulgaria and Serbia is of considerable regional significance since such a connection would give

## THE WBIF SEEN BY BOSNIA AND HERZEGOVINA

"Access to international finances has been facilitated through WBIF in such a way that it provides a platform for consultation of all involved International Financial Institutions and donors. In particular, the Joint Grant Facility as a source of grants is very useful for the implementation of infrastructure projects in the country.

The amount of IPF/WBIF approved grants for Bosnia and Herzegovina currently stands at over €20 million and is even higher if national IPA contributions are added. The total estimated investment of projects to which WBIF is contributing in Bosnia and Herzegovina is more than €1 billion.

WBIF projects in Bosnia and Herzegovina are related to transport infrastructure (roads and railways), water supply and wastewater treatment in municipalities, as well as to the construction of a High Security State Prison. A number of the projects supported through WBIF, such as Corridor Vc, or the State Prison project, are highly important infrastructure projects in the country. Projects such as Trade Related Transport and Law Enforcement projects are very important for the implementation of obligations arising from the provisions of the Interim Agreement and Stabilization and Association Agreement (signed on June 16, 2008), as well as the European Partnership for Bosnia and Herzegovina (2008).



**Mrs Nevenka Savić**  
"Director, Council of Ministers of Bosnia and Herzegovina, Directorate for European Integration"

Although NIPAC is not involved in coordination among the countries, or in the discussions and decision making for funding of projects, we believe the European Western Balkans Joint Fund, to which European countries contribute, can ensure good coordination of their activities. In order for WBIF to contribute better to the effectiveness of the assistance, it should be further developed and elaborated".

Serbia access to a second import pipeline and also provide Bulgaria with access to Serbia's existing and planned gas storage. This project will benefit the energy security of both countries and the whole of the South East Europe region (including Bosnia and Herzegovina, which is presently supplied only through a connection from Serbia). In light of the importance of this connection, EU Regional Funds have been committed to finance the feasibility study on the Bulgarian side of this planned connection. This present proposed project is to undertake the corresponding feasibility study and environment impact assessment study in Serbia. This will include the preparation of a proposed financing plan for the project. The benefits of the proposed investment will include: 1) Improved energy security in Europe 2) Improved energy security in South East Europe 3) Improved energy security in the two countries directly involved, Serbia and Bulgaria 4) Potential to develop the gasification of Southern Serbia (where gas penetration is currently weakest in Serbia) 5) Increased opportunities for gas trading and the development of both the national and regional gas markets 6) Increased gasification would lead to potential fuel switching from electricity to gas in SMEs and domestic dwellings, reducing CO2 emissions.



## THE WBIF SEEN BY THE REPUBLIC OF CROATIA

“While preparing projects for ISPA/IPA III we experienced how important, adequate and timely project preparation is. Therefore assistance which secures financing of technical expertise in project preparation is, in our view, the most important value of the WBIF.

To date, Croatia is benefiting from one project, namely “Penitentiary complex Šibenik”. The amount approved under WBIF for project preparation is €0.8 million, while the total envisaged costs of the investment are €72 million. This investment is in line with the priorities stipulated in EC progress reports for Croatia and in the SAA signed on 29 October 2001. It will also indirectly contribute to economic development due to the fact that the construction of a new penitentiary facility will allow the existing one, located in the centre of town, to be used for other socio-economic purposes.

There are various types of assistance present in the region and an initiative such as WBIF, which provides for coordination, is of course welcomed. In general, WBIF procedures (coming from IPF) are becoming more efficient / effective over time but one of the objectives (also in line with the SAA) is to further strengthen the role and importance of beneficiary countries in the facility itself.



**Ms Nataša Mikuš Žigman,**  
Deputy State Secretary,  
Central Office for Development Strategy and Coordination of EU Funds

## Environment

Thirty-two projects have been approved in the environment sector accounting for a WBIF contribution of €67.9 million. The projects cover several sub-sectors but are predominantly focussed on improving the water and wastewater systems of the towns in the Western Balkans, many of which do not have wastewater treatment plants. Four sample projects are presented below:

Kosovo	
Pristina water supply	
Total cost	€35 million
WBIF grant	
TA - feasibility study	€0.150 million
Grant co-financing	€15 million
Lead Financial Institution	KfW
Co-financing	EU IPA
Type of WBIF support	TA (Feasibility study)

The City of Pristina is faced with chronic water shortages and rationing of supplies which have been exacerbated by the recent rapid growth of the population in the service area. The EU agreed to assist in finding the optimum solution to providing a reliable and safe long-term water supply through technical assistance under the IPF programme. A feasibility study was undertaken to identify the lowest cost method of meeting future needs. A review of future water demands, taking into account the growth in population and expansion of the city, established the projections against which resources need to be mobilised. Existing sources of supply, in the form of two reservoirs, were studied and options identified and costed for increasing available resources. The option selected recommended use of the multi-purpose Iber Lepanci canal and pumping station, 13.5 km transfer pipeline and treatment works. The environmental and social impacts of the project were studied and the overall project justified in economic terms. The feasibility study was presented at a workshop attended by all stakeholders including potential donors. The project is now being taken forward for implementation by KfW.



## Bosnia and Herzegovina

### Water and sanitation in Republika Srpska

Total cost	Approx €80 million
WBIF grant	€1.25 million
Lead Financial Institution	EIB
Co-financing	EU IPA
Type of WBIF support	TA (Feasibility Study)

The project comprises several water and sanitation schemes widely spread throughout Republika Srpska (RS) including Trebinje, Sokolac, Rogatica, Pale, Prijedor, East Sarajevo, Lopare, Zvornik, Kotor Varos, Ribnik, Milici, Gacko, Nevesinje, Samac, Prnjavor, Knezovo and Mrkonjic Grad. The overall objective is the protection of public health and the environment from water pollution, while maintaining balanced development of the water supply and sanitation, as well as safeguarding the financial and operational viability of the water companies. The Terms of Reference were approved in October 2010 and implementation began in November 2010. In the first phase of the project the needs of the different municipalities will be reviewed and some six municipalities will be selected for pre-feasibility studies.

## Serbia

### Feasibility study for the collection, transport and treatment of wastewater in the municipalities of Vranje and Užice

Total cost	€50 million
WBIF grant	€0.5 million
Lead Financial Institution	KfW
Co-financing	-
Type of WBIF support	TA

For each municipality, a feasibility study has been carried out and prepared with development of a Long-Term Strategic Investment Plan for wastewater collection and treatment. The objective is to provide a significant positive health impact thanks to greater water supply quantities and reliability and wastewater collection and treatment that meet the need for compliance with the EU environmental acquis. Furthermore, the preparation of a bankable project has been undertaken based on an effective least-cost short-term investment programme justified on the basis of technical, financial, economic and environmental analysis.



The findings of the feasibility study were presented in Vranje at a workshop held in January 2010 and the draft report was submitted in July. In the case of Užice, the workshop was held in March 2010 and the draft report was submitted in October 2010.



## THE WBIF SEEN BY THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA

"The WBIF is a flexible and swifter mechanism that ensures active participation of the IFIs. As such WBIF constitutes an improvement over the IPF procedure and is especially advantageous in financing big infrastructure projects where one IFI can not finance the whole project due to limitations in the exposure of certain IFIs to one borrower.

The national WBIF mechanism has embedded the process of project submission to the WBIF within the government's decision-making process for public investments. As a result, with the support of IPF/WBIF, my country is benefiting from TA for infrastructure projects in the energy and social sector for more than €3 million. The total budget of the investments for the approved projects for The Republic of Macedonia is approximately €168.5 million.

Despite the overall positive assessment of the instrument, a number of pertinent issues still need to be addressed in an effort to further the effectiveness of the instrument, including the provisions of enhanced feedback following the PFG and enhanced and sustainable trainings for the national institutions as to the opportunities of WBIF. In addition, the former Yugoslav Republic of Macedonia has identified the need for clear justifications/ elaboration with regards to the selection process, as well as clear written instructions as to the eligibility of sectors for the country (transport and environment) and the openness of the instrument to the private sector".



**Orhideja Kaljosevska**  
Head of NIPAC Office



Montenegro	
Rehabilitation and construction of water and waste water infrastructure – 5 municipalities (Pljevlja, Bijelo Polje, Cetinje, Ulcinj, Plav)	
Total cost	€ 114 million
WBIF grant	€ 5 million
Lead Financial Institution	EIB
Co-financing	EU IPA
Type of WBIF support	Investment grant

The Project Segment co-financed by the Contribution under the present Action is included in the overall EIB project.

Overall, the EIB overall project is expected to cover a program of water and wastewater investment in municipalities in Montenegro for a total investment amount of €114.0 million. This project segment receives grant support and covers a programme for 5 municipalities in Montenegro for an estimated investment amount of €34.5 million for water and sanitation measures. Project implementation is expected to improve water and energy efficiency and allow additional financial performance of the utilities. It covers 5 municipalities. The scope of the investment may include rehabilitation, upgrade and new construction of water resource infrastructure, water supply systems, extension of drinking water treatment facilities, wastewater collection systems, wastewater treatment facilities, bulk and consumer metering, water and energy efficiency measures and technical assistance.



## THE WBIF SEEN BY KOSOVO

“WBIF represents one of the investment options and we are very satisfied. However, Kosovo has limited access to WBIF partner IFIs and this poses difficulties in the process of selecting and financing proposed projects. A number of project proposals have failed simply because of the lack of financial sources.

Investments are in line with national priorities, i.e. with the Mid-Term Expenditure Framework, as well as with the European Partnership for Kosovo 2008. Nevertheless Kosovo is at an early stage of the integration process and faces many obstacles before it can benefit from full access to regional investments connected to the accession process.

The grants approved by the WBIF are planned to help prepare: construction of the wastewater collection and treatment system in some seven municipalities; improvement of the district heating service in Pristina to existing customers as well as expansion of the district heating coverage area; increased energy efficiency measures in public buildings; improvement of water supply infrastructure through reduced leakages and increased financial sustainability for the water company; and Rehabilitation of Railway Route 10. The total estimated investment of these projects is €589 million.

WBIF allocation and support has contributed to strengthening socio-economic development and to improving the business environment and the quality of life of Kosovo's population. We consider WBIF a valuable regional investment mechanism, since it offers a flexible and efficient way of building a foundation for larger investments with either national or EU assistance. However, we would like to express our support for further integration of the resources of the WBIF into a common national and accession framework”.



**Edon Cana**  
Secretary-  
General of MEI/  
NIPAC.

# Social

Fourteen projects have been approved in the social sector accounting for a WBIF contribution of €11.7 million. The projects cover several sub-sectors including justice, education and health. Four sample projects are presented below:

Bosnia and Herzegovina	
Maximum Security State Prison	
Total cost	€38.6 million
WBIF grant	€3.7 million
Lead Financial Institution	CEB
Co-financing	EU IPA, United States, Sweden
Type of WBIF support	TA (Operational plan, Feasibility study, Preliminary and Main design and assistance with procurement)(€1.7m)  Interest rate subsidy (€2m)

The existing type and number of prisons across BiH have, for many years, been considered insufficient to reach international / European Prison standards. The report of the CPT states that prisons in the country are filled to double capacity and that many only just meet the minimum standards required by the CPT. The BiH Ministry of Justice, as the lead institution responsible for the execution of criminal sanctions at State level, has urged for support in establishing a maximum security state prison. The following activities have been / will be carried out through this project as Technical Assistance to support the Ministry of Justice and its Project Implementation Unit (PIU):

- Technical Assistance;
- Project Preparation / Operational Plan;
- Preliminary Design;
- Main and Construction Design;
- Assistance with Procurement.

Based on the Operational Plan Feasibility report, the Council of Europe Bank offered a loan of €19.3 million which has been signed by the Government of Bosnia and Herzegovina. Preliminary design has been completed, the urban plan has been approved and the main design is ongoing with construction contracts to be awarded in 2011.



## THE WBIF SEEN BY CEB

"The Western Balkan countries are of particular interest to the Council of Europe Development Bank. They belong to the CEB's "target countries", a group of 21 countries for which the Bank sets specific targets in terms of approvals, disbursements and portfolio, both in the previous and in the current Development Plan.

As candidates and pre-candidates for EU membership, these countries are expected to achieve a number of objectives in several sectors, including social needs and human rights compliance. However, the financial and economic crisis has stretched these countries' public finances to the limit while at the same time widening the gap between social needs and their capacity to satisfy them.

Thus, by allowing coordination of the needs and wishes of beneficiaries with donors' willingness to help, and the capacity of the financial institutions to leverage, manage and deliver, the WBIF is becoming the kind of powerful instrument that is required to cope with these growing needs.



**Imre Tarafás**  
Vice Governor

As a founding member, the CEB is confident of the capacity of the WBIF to deliver".



# WBIF 4



Albania	
<b>Education, Excellence and Equity Project (EEE-P) and Rehabilitation of Tirana Schools – 2nd phase</b>	
Total cost	€76 million
WBIF grant	€1.5 million
Lead Financial Institution	CEB/EIB
Co-financing	World Bank
Type of WBIF support	TA (Technical and Management Assistance)

Albania's educational results remain insufficient, particularly when measured against labour market needs and achievements in other countries in the region, against which Albania's labour force needs to compete. Albanian children on average complete 8.6 years of schooling, a figure that lags substantially behind that of its neighbours and stands almost 6 years below the EU average. While universal primary education has been achieved, the secondary education enrolment rate is low at around 50%. Low average educational attainments are compounded by marked variations across regions and income groups. For example, the net secondary enrolment rate is 70% in Tirana, 60% in other urban areas, and only 25% in rural areas.

The general objective of the EEE-P is to improve learning conditions for all students and increase enrolment in general secondary education, especially for the poor. The intermediate goals are that leadership, management and governance in the education system be improved, that teachers adopt new methods of teaching and a wider variety of learning aids in schools, that the quality of school infrastructure and the efficiency of its use be improved, and that the initial steps of higher education reform be taken.

Unlike an investment-driven project, the proposed financing will not finance specific pre-identified investments, but will be pooled with budget financing and other partner financing to support an agreed programme of activities. Evidence-based semi-annual reviews, organized by the MoES and carried out in parallel with the annual budget formulation process, will be the key instrument for ensuring that expenditures under the Programme are cost-effective and consistent with the objectives and priorities of the Programme. The review process will be results-driven. Monitoring indicators will provide early feedback on how well the Programme is achieving its objectives.

Croatia	
<b>Construction of a penitentiary/prison complex in Šibenik</b>	
Total cost	€72 million
WBIF grant	€0.8 million
Lead Financial Institution	CEB
Co-financing	-
Type of WBIF support	TA (Feasibility study and technical and management assistance)

Croatia adopted the Strategy for the Reform of the Judiciary and its Action Plan in 2006 (updated in 2008). Improvement of the prison system was identified as one of the key thrusts in this process and therefore, in 2009, an updated version of the Action Plan for the Penitentiary System was adopted.

The aim of the project is to build a new penitentiary/prison in Dalmatia to respond to the lack of this type of infrastructure in the region. At present the current prison in Šibenik is situated in a complex of buildings in the city centre that serve the judiciary. This location is inadequate. There is overcrowding and the security measures in place are obsolete. The objective of the project is to move the facilities out of this judiciary building complex and to build a new penitentiary on the outskirts of the city. The area selected for this purpose is an area of land covering approx. 1,000,000 m<sup>2</sup> situated in the immediate vicinity of the A1 highway Zagreb-Split next to an industrial area designated as the "Podi Economic Zone".

Former Yugoslav Republic of Macedonia	
<b>Health Provider Institutions (HPIs)</b>	
Total cost	€90 million
WBIF grant	€2 million
Lead Financial Institution	CEB
Co-financing	-
Type of WBIF support	TA (Technical and Management Assistance)

## THE WBIF SEEN BY MONTENEGRO

“WBIF has proved to be a valuable initiative for Montenegro since it is an instrument provides with an easier and simpler way to access necessary for further development of the country. Planned investments are fitting well within national and regional priorities and, with the support of WBIF, Montenegro is benefiting from grants which will contribute to the realisation of projects worth more than €242 million.

Projects approved by WBIF are planned for the development of the transmission and distribution system, a home for elderly people in the city of Pljevlja and, in a number of municipalities, for the provision of improved water supplies, wastewater treatment plants, and the reconstruction of roads and regional landfills.

WBIF allocations will contribute to further economic growth of the country with public investments in environment, energy and transport infrastructure. The role of WBIF in donor coordination helps Montenegro to ensure harmonization of procedures and alignment with national priorities with a contribution to the efficiency and effectiveness of the assistance”.



**Prof Gordana Đurović**  
Minister for European Integration

In order to contribute to the reform goals set in the public healthcare sector, the authorities have initiated project activities that will be co-financed by a loan from the Council of Europe Development Bank (CEB), by the Government's central budget and by other IFI's.

The Ministry of Health has evaluated and examined the potential viability of a project to secure the Skopje Government's investment in healthcare infrastructure that will create the conditions for improving the provision of quality health care and will justify a loan from the Council of Europe Development Bank (CEB). The name of the project is “Rehabilitation of Health Provider Institutions in Former Yugoslav Republic of Macedonia”.

The project has two components. Component 1 involves renovation, extension and construction of new medical facilities throughout the country. Component 2 involves procurement and installation of new medical equipment for PHIs from Component 1 as well as other PHIs that are not included in Component 1.



## Transport

A total of twenty-two transport projects have been approved, accounting for a WBIF contribution of €37 million. These transport projects are contributing to significant regional investments and the total cumulative amount of the potential investment is €4.3 billion. They are equally distributed between railway and road infrastructure projects. Four sample projects are presented below:

### Albania

#### Regional and Local Roads

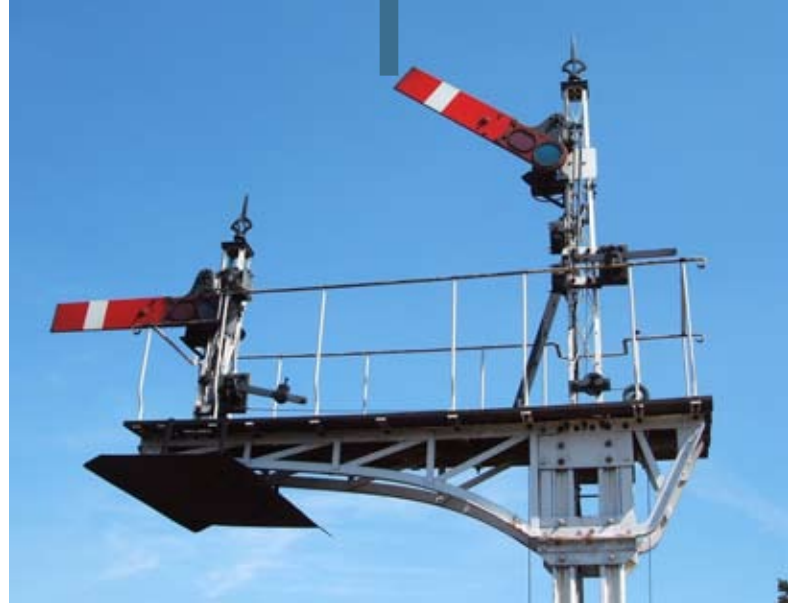
Total cost	€137 million
WBIF grant	€4 million
Lead Financial Institution	EBRD
Co-financing	EIB, EC
Type of WBIF support	TA (PIU support)

Over half of Albanians live in rural areas, with the majority working in agriculture, but the poor state of the roads has become a barrier to the development of the agricultural private sector. The existing road network restricts access to markets, hindering agricultural productivity and the integration of rural Albania into the national economy and beyond into the Western Balkans. Developing the local network would create further opportunities for people living in rural areas, in turn stemming urban migration and, more importantly, contributing to the alleviation of extensive rural poverty in the country.

Infrastructure projects are expensive to carry out, especially at a time when the global financial crisis is hurting developed and developing countries alike. However through the Western Balkans Investment Framework, the EBRD and the EIB are each putting forward €50 million to finance the rehabilitation of 500 kilometres of Albania's regional and local network. Donors to the WBIF, as well as financing IFIs, are contributing €5 million to cover project implementation costs, such as road design and construction supervision. IPA is also contributing €34.5 million in grant co-financing. This project is part of a wider programme, financed by various international institutions, which will see Albania rehabilitate over 1,500 kilometres of roads by 2015.

# WBIF 4

The railway network in the Western Balkans is urgently in need of rehabilitation after decades of under investment. Priority corridors have been identified with EU support.



Serbia	
Corridor X Motorway	
Total cost (Corridor Xc and Xd)	Approx €1260 million
WBIF grant	
- Design, tendering, monitoring	€3.0 million
- Support to PMU	€1.5 million
Lead Financial Institution	EIB (€1.5 million grant)
Co-financing	EWBJF (€1.5 million TA grant) EBRD (€1.5 million TA grant) World Bank
Type of WBIF support	Technical Assistance

The technical assistance provided under WBIF will support the project to build 83 km of motorways on the E80 Corridor Xc linking Nis to Dimitrovgrad and 74 km on the E75 Corridor Xd linking Nis to the FYR Macedonia border. The project is part of the core Trans-European Network of Transport and is being co-financed in parallel by loans from the three IFs (EIB, EBRD and the World Bank).

The three IFs will also finance technical assistance to Korridor X D.o.o., the public company established to manage project implementation. The EIB and the EWBJF will provide grant finance for the design and technical monitoring of construction. The World Bank and EBRD will finance consultancy services for supervision, staff training and managerial support to the Korridor X D.o.o. company.



## THE WBIF SEEN BY THE REPUBLIC OF SERBIA

“WBIF represents a good initiative to maximise coherence, synergies, efficiency and visibility of all the European financial instruments in support of EU policies, job creation and economic development in the region of the Western Balkans.

WBIF provides a good coordination platform for regional cooperation and coordination with different stakeholders: EC, IFs and beneficiaries, including bilateral donors in the area of infrastructure development and competitiveness. With the support of WBIF, the Republic of Serbia is benefiting from 18 projects in different sectors. Finally, WBIF has strengthened the role of NIPAC as a central point for the coordination of EU funds and IFs’ assistance in the Republic of Serbia”.



**Ognjen Miric**  
Deputy Director and Coordinator for EU funds  
NIPAC Technical Secretariat and European Integration Office





## Albania

### Rehabilitation of the Albanian Railway Network

Total cost	Approx €200 million
WBIF grant	
Feasibility study	€0.30 million
Design Tirana-Durres	€1.25 million
Lead Financial Institution	EBRD
Co-financing	To be determined
Type of WBIF support	TA

The feasibility study reviewed the scope for rehabilitation of the core network comprising 197km of railway. The track is in workable but poor condition and operating speeds are very slow due in part to the lack of modern signalling. The study identified the essential works (track, structure and signalling) required to improve the operational capability of the system and to begin the process of fully complying with the European requirements for the railway. The improvements required were prioritized to encourage use of the system for both freight and passenger traffic to assist in the country's economic development. Cost benefit analysis was used to establish an incremental improvement on a section-by-section basis. The first step recommended in the 2009 report was to proceed with the rehabilitation of the Tirana-Durres section, which is important for both freight and passenger traffic, and will serve as a pilot for the network. A further grant was approved in June 2010 for this design and is being managed under the direction of EBRD.



## Serbia

### TA for Railway Rehabilitation II

Total cost	€161 million
WBIF grant: (IFI TA)	€1 million
Technical and management assistance to the Project Implementation Unit of the Serbian Railways company	
Lead Financial Institution	EIB
Co-financing	EBRD
Type of WBIF support	TA

WBIF technical assistance to the Project Monitoring Unit (PIU) of the Serbian Railways company will cover the preparation of tender documents, review of designs, problem solving during work supervision, quality and cost control and reporting during project implementation. The internationally experienced consultants will provide on-the-job training to the staff of the PIU and contribute also to improving the preparation of future projects planned on Corridor X.

Pan-European Corridor X is a priority axis for the Serbian Railways company in the context of EU accession. Projects co-financed by EIB and EBRD covers investments for the rehabilitation and upgrade of tracks and safety-signalling systems on specific sections of the lines Nis through Dimitrovgrad to the Bulgarian Border, Belgrade to Nis, the Belgrade through Sid to the Croatian Border, as well as for the purchase of freight wagons. Total investments in these projects amount to EUR 161 million. In addition Serbian Railways is preparing projects to improve further sections of the Corridor. Through 2010, technical assistance to the PIU of the Serbian Railways company has been financed by the European Agency for Reconstruction (EAR).

WBIF technical assistance and the corresponding investment projects will contribute to restoring the efficiency of both passengers and freight traffic in the Serbian railway sector.

# WBIF 4



## 4.3 Analysis of project implementation

Since its launch in 2009, WBIF has given its approval to 39 grants which, when added to the portfolio of 42 grants inherited from the IPF programme, represent a total WBIF contribution of approximately €139 million. The full list of projects approved by the WBIF Steering Committee to date is provided in the Annex.

### Geographical spread

Of the 81 grants approved, which support 73 different projects, the majority have been committed across the five potential candidate beneficiaries with only 6 allocated to the two candidate status countries. This reflects the fact that the candidate status countries already benefit from IPA III. There is a reasonable distribution across the potential candidate beneficiaries. Kosovo has received fewer grants compared to the other beneficiaries, when measured by numbers of grants, but has in fact received a total value of grants that makes it comparable.

### Sector breakdown

Environment has been allocated the most grants of any of the eligible sectors accounting for 49% of the total awarded. Transport represents 26%, energy 16% and the social sector 9%. Part of the reason for the high proportion allocated to environment is the high proportion of investment grants that has been allocated to this sector.

### WBIF Final approvals up to 31/12/2010 by Beneficiary and by Sector

	Energy		Environment		Social		Transport		Total	
	€m	No	€m	No	€m	No	€m	No	€m	No
<b>Albania</b>	1.3	3	16.5	9	2.1	2	16.5	5	<b>36.4</b>	<b>19</b>
<b>Bosnia &amp; Herzegovina</b>	0	0	26.8	8	3.7	2	4.1	5	<b>34.6</b>	<b>15</b>
<b>Croatia</b>	0	0	0	0	0.8	1	0	0	<b>0.8</b>	<b>1</b>
<b>Former Yugoslav Republic of Macedonia</b>	1.5	3	0	0	2.5	2	0	0	<b>4.0</b>	<b>5</b>
<b>Kosovo under UNSCR 1244/99</b>	14.9	3	13.1	3	0	0	0.5	1	<b>28.5</b>	<b>7</b>
<b>Montenegro</b>	1.85	1	6.95	9	0.15	1	0.7	2	<b>9.65</b>	<b>13</b>
<b>Serbia</b>	2.0	3	4.5	3	2.9	5	15.2	9	<b>24.6</b>	<b>20</b>
<b>Regional</b>	0.65	1	0	0	0	0	0	0	<b>0.65</b>	<b>1</b>
<b>Total</b>	<b>22.2</b>	<b>14</b>	<b>67.85</b>	<b>32</b>	<b>12.15</b>	<b>13</b>	<b>37.0</b>	<b>22</b>	<b>139.2</b>	<b>81</b>



## THE WBIF SEEN BY THE CZECH REPUBLIC/DONORS

For the Czech Republic, cooperation with the Western Balkans Region is a key longstanding priority. Therefore, we are proud for having been appointed the (co-)chair of WBIF for 2010 and being given the opportunity to pave the way for more substantial involvement of bilateral donors. We were pleased to host the Steering Committee Meeting in Prague in June 2010 and to organize a WBIF Workshop for Beneficiaries later in October 2010.

As a co-chair and as a donor, we have primarily strived to enhance the involvement of Beneficiaries (NIPACs) and emphasized the need for greater participation of both EU and non-EU donors in order to ensure the widest possible international platform including the World Bank. For donors, it is fundamental to keep the WBIF management and administration streamlined, flexible and cost-effective. Close cooperation with IFIs proved highly valuable, blending of grants and loans provides further impetus and ensures great leverage of donors' grant contributions.

What we have learnt during our (co-)chairmanship in 2010, in the first year of WBIF's existence, is that genuine progress comes through cooperation. We believe that together with other donors, NIPACs, the EC and IFIs we have proved that "where there is a will there is a way" and looking forward, we are convinced that this innovative financial instrument will stand the test of time. For the above mentioned reasons, we believe the WBIF should be set as an example for other financial instruments across regions.



**Pavel Stepanek**  
Co-chair  
WBIF Steering  
Committee for  
2010 on behalf  
of the Czech  
Republic

## Co-financing and leverage

In addition to the investment grants being provided by the EC under the Multi-beneficiary IPA, the largest part of EC grants were provided by National IPA, for a total of €84.5 million. A choice to co-finance projects of rapid implementation (IPF Municipal Window) was conceived in 2008 as a measure to inject liquidity in economies under growing pressure from the financial crisis. The EC grant co-financing IFI loans is a measure which created, maintained or increased the available project funding (the so-called leverage). On the ongoing 12 projects, for each € of EC grant, €2.2 of loan were made available to the beneficiaries, and €4.7 of total investment is being realised. The 4.7 leverage ratio achieved is considerable and, as the project cycle develops, it is planned to monitor the evolution of the leverage ratio achieved.

## Type of WBIF support

Of the 81 grants provided, 69 have been TA grants and 12 have been investment grants. Fifty-three of the TA grants are managed under the EC-financed IPF programme and 16 are managed directly by the IFIs. In terms of volume of grant, the investment grant is the largest component and represents 61% of the total amount awarded.

## Progress in implementation

Just over one year since the launch of WBIF, fifteen of the project preparation studies have been completed. The progress in implementation by each round of TA grants awarded is summarised in the table below:

Round	No of TA grants	ToR completed	Services requested in PDF completed	IFI interested to finance
1	18	18	12	17
2	9	8	2	6
3	26	10	1	n.a
4	16	3	0	n.a
<b>Total</b>	<b>69</b>	<b>39</b>	<b>15</b>	

Despite the fact that the disbursement of investment grants often requires the signature of a successive loan and/or grant agreement with the beneficiaries, and in some cases a lengthy subsequent parliamentary ratification, disbursement for the co-financing part of the WBIF (Municipal Window) has been good, with €20 million already disbursed out of a total of €84 million. Five out of ten of the projects are active with disbursements having been made. These are: Urban Transport Project in Belgrade (EIB), Water and Wastewater Treatment in Serbian Municipalities, Banja Luka Water and Sanitation (CEB/KfW), Bijelina Wastewater in Bosnia (EBRD) and a Water and Sanitation Project in Pristina (KfW).

## Status of Joint Lending Facility

An overall perspective of the investments being prepared through the WBIF Joint Grant Facility is presented in the table below together with an overview of potential and agreed financing.

TA Sector	No of grants	Total Estimated investment (€ billion)	Loan estimation (€ billion)	Loans signed (€ billion)
Energy	13	0.5	0.1	0.04
Environment	24	1.0	0.3	0.11
Social	14	1.0	0.5	0.18
Transport	18	4.3	2.3	0.42
<b>Total</b>	<b>69</b>	<b>6.8</b>	<b>3.2</b>	<b>0.75</b>

# WBIF 5 WBIF organisation



Beneficiaries have to submit or endorse applications for grants within WBIF via the National IPA Coordinators. Beneficiaries' full ownership is ensured by this: projects without NIPAC's endorsement will not pass the screening phase. The Project Financiers' Group provides a "single entry point" for requests and is responsible for the process of screening (by the EC) and financial appraisal (by the IFIs) of grant requests. The PFG will recommend positively screened and assessed requests to the Steering Committee for grant approval and for monitoring of their subsequent implementation.

## Steering Committee

The Steering Committee takes all decisions related to the Joint Grant Facility including project approvals and provides strategic orientation on the Western Balkans Investment Framework. The Steering Committee is composed of representatives of the Commission, the partner IFIs (Council of Europe Development Bank (CEB), the European Bank for Reconstruction and Development (EBRD), and the European Investment Bank (EIB)), and the contributors to the European Western Balkans Joint Fund. It is co-chaired by the Commission (permanent) and one of the Contributors to the EWBJF (on a rotating basis every twelve months). The Czech Republic were co-chair during 2010. The Steering Committee receives strategic indications and priorities emerging from the work of the IFI Advisory Group and from the conclusions of the sectoral working groups organised by the IFI Coordination office. The Steering Committee meets every six months with the first meeting held in December 2009 and the subsequent meeting in June 2010. The Steering Committee receives strategic indications and priorities emerging from the work of the IFI Advisory Group and from the conclusions of the sectoral working groups organised by the IFI Coordination office. The World Bank has attended the meetings of the Steering Committee as an observer.

## The Project Financiers' Group

The Project Financiers' Group is responsible for screening and assessing requests for financial support from the Joint Grant Facility with the objective of establishing a pipeline of priority projects. The Group is composed of representatives of the Commission (DG Enlargement coordinates the participation of all Commission services concerned by the activities), each of the partner IFIs

and the bilateral Financial Institutions or development agencies of donor governments contributing to the EWBJF who all participate on equal conditions to the Joint Grant Facility. It is co-chaired by the Commission (permanent) and the partner IFIs (on a rotating basis every 6 months). The Project Financiers' Group meets on a quarterly basis and in 2009/2010 met four times to prepare each of the two Steering Committee meetings. The World Bank attended these meetings, as well as those of the Steering Committee, as an observer participant. The World Bank attended the strategic parts of these meetings as an observer.

## Work Programme since launch in Dec 2009

Key activities undertaken within the work programme for 2010 include: identification, screening and assessment of 62 investment projects; submission of 36 grant requests to the Steering Committee; organisation of a 2-week long joint monitoring mission to the region (Albania, Bosnia and Herzegovina, Kosovo, Montenegro and Serbia were visited); development of a communication plan; preparation of a monitoring report; update and expansion of a stocktaking database of over 700 ongoing EC, IFIs and bilateral donors' infrastructure investments in the region between 2007 and 2010; organization of sectoral working groups with the IFIs to provide the Steering Committee with strategic indications; upgrade and expansion of the WBIF website; development of a management information system; and preparation of the present annual report.

## Future outlook

A new call for projects is planned for the first quarter of 2011 with a decision at a June 2011 Steering Committee meeting. It is planned to actively expand sector priorities to include private sector support and steps have also been taken to further encourage regional projects by holding a workshop on this subject in November attended by all NIPACs and key stakeholders.

## 6.1 List of grants approved in 2008-2010

List of grants approved in 2008-2010								
Round	Grant Code	Title of the Operation	Beneficiary	Type grant requested	Grant allocated	Lead IFIs	Total Estimated Investment	Status Dec 2010
1	TA-ALB-11	Upgrade of Transmission System	ALB	PFS	180,000	N/A	130,000,000	Completed. Identified 5 FS. TA3-ALB-ENV-01 & WB4-ALB-ENE-01 are underway.
1	TA-FYRMAC-02	Pilot Project – Windpark Development	MKD*	FS	400,000	KfW	75,000,000	FS completed. Tender documents being drawn up.
1	TA-MON-02	Electricity Network Development Programme	MNE	PFS, FS	1,850,000	EBRD	80,000,000	PFS complete. FS under preparation.
1	TA-SER-26	Western Serbia – 400kV Transmission System Upgrade – Pre-Feasibility and Feasibility Study	SER	PFS, FS	500,000	EBRD	60,000,000	PFS completed and FS underway
1	TA-BIH-03	Plava Voda Regional Water Supply Project	BiH	DD	600,000	EBRD	28,000,000	DD underway
1	TA-KOS-01	Regional Water Company Pristina	KOS	TMA, FS	300,000	KfW	35,000,000	FS completed. Construction tenders launched.
1	TA-MON-07	Podgorica waste water project	MNE	FS	150,000	EIB, EBRD	55,000,000	FS completed
1	TA-MON-05	Podgorica Water Infrastructure Project	MNE	FS	150,000	EBRD	30,000,000	FS completed
1	TA-SER-17	Feasibility study for collection, transport and treatment of wastewaters in the municipality of Vranje and Uzice	SER	FS	500,000	KfW	50,000,000	FS completed
1	TA-ALB-10	Education, Excellence and Equity Project (EEE-P) and Rehabilitation of Tirana Schools – 2nd Phase	ALB	I, TMA	1,500,000	CEB, EIB	76,000,000	Under execution

**Legend:**  Energy  Environment  Social  Transport

Round	Grant Code	Title of the Operation	Beneficiary	Type grant requested	Grant allocated	Lead IFIs	Total Estimated Investment	Status Dec 2010
1	TA-ALB-04	Tirana University Hospital Centre Reform Programme in Albania- 2nd Phase	ALB	TMA, FS, O, EIA	580,000	CEB	56,468,700	EIA and Energy Supply Study completed. Training being planned.
1	TA-BIH-01	State Prison Project in Bosnia & Herzegovina	BiH	TMA, FS,PD	500,000	CEB	39,600,000	Completed
1	TA-FYRMAC-01	Idrizovo Prison Reform Project in FYR Macedonia	MKD*	TMA, FS, DD	500,000	CEB	14,500,000	Operational Plan, FS and assistance with PD completed. Assistance with DD design commences Jan 2011.
1	TA-ALB-06	Feasibility study for track renewal and signalling and communication systems for the entire Albanian Railway network	ALB	FS	1,500,000	N/A	N/A	Completed. Resulted in WB4-ALB-TRA-09
1	TA-BIH-08	Corridor Vc – second phase	BiH	TMA, FS	500,000	EIB	158,390,000	FS completed
1	TA-BIH-06	Construction of Main Road Foca(Brod na Drini)-Hum	BiH	PFS, FS	700,000	EBRD, EIB	80,000,000	PFS completed
1	TA-KOS-02	Rehabilitation of Railway Route 10 (Leshak – Mitrovicë – Fushë Kosovë – Ferizaj – Hani i Elezit)	KOS	PFS	500,000	N/A	75,900,000	Completed
1	TA-SER-15	Railway Reconstruction: Nis to the former Yugoslavia Republic of Macedonia border (Corridor X)	SER	PFS	500,000	EIB, EBRD	260,000,000	Completed
2	TA2-MKD-ENE-02	Construction of OHL 400kV former Yugoslav Republic of Macedonia to Serbia	MKD	EIA, O	100,000	EIB	14,000,000	Completed
2	TA2-ALB-ENV-03	Upgrading of Kavaja Waste Water Treatment Plant and completion of the sewerage network for Golemi	ALB	DD	350,000	CEB KfW	7,000,000	Design complete and awaiting approval
2	TA2-ALB-ENV-02	Project for Water Supply & Sewerage in Kamza	ALB	FS	450,000	CEB KfW	15,000,000	Final report completed. Approval in process.
2	TA2-ALB-ENV-01	Wastewater and sanitation in Lezha and Shengjin	ALB	DD	180,000	CEB KfW	2,700,000	Under execution

**Legend:**
 Energy

 Environment

 Social

 Transport

Round	Grant Code	Title of the Operation	Beneficiary	Type grant requested	Grant allocated	Lead IFIs	Total Estimated Investment	Status Dec 2010
2	TA2-MNE-ENV-04	Wastewater treatment plant Berane	MNE	FS	150,000	EIB	15,000,000	Completed
2	TA2-MNE-SOC-08	Center for the Elderly – Pljevlja	MNE	DD, ATP, O	150,000		1,200,000	Under execution
2	TA2-SER-SOC-04	Municipal and Regional Infrastructure	SER	TMA, ATP, SofW, O	375,000	EIB	150,000,000	Under execution
2	TA2-BiH-TRA-02	Railway Sarajevo-Podlugovi	BiH	DD	600,000		30,000,000	ToR under review
2	TA2-MNE-TRA-03	Reconstruction of Main Road Scepan Polje-Pluzine (Bosnia and Herzegovina border )	MNE	I, FS	150,000	EIB	80,000,000	Completed
3	TA3-ALB-ENE-01	Feasibility Study for the Construction of 220/110 double circuit line - Tirana 2 (Razhbull) in replacement of existing line	ALB	TMA, FS, DD, O	577,000	N/A	11,600,000	Under execution
3	TA3-KOS-ENE-03	Improvement of District Heating, Phase 2 - CHP	KOS	FS	300,000	KfW	25,000,000	Under execution
3	TA3-ALB-ENV-03	Feasibility Study and Detailed Design for Improvement of Flood Protection Infrastructure in Albania	ALB	FS	400,000	N/A	20,000,000	ToR under review
3	TA3-ALB-ENV-02	Detailed Design for water supply and sewerage systems for Elbasan city	ALB	DD	500,000	KfW	20,000,000	Awaiting completion of FS study by Beneficiary
3	TA3-BiH-ENV-05	Reconstruction of distribution networks in the municipalities connected to the Plava Voda Regional Water Supply Project - 4 municipalities	BiH	TMA	300,000	EBRD	7,500,000	ToR under preparation
3	TA3-BiH-ENV-03	Bijeljina Wastewater Treatment Plant Implementation	BiH	ATP	400,000	EBRD	20,000,000	Under execution
3	TA3-BiH-ENV-02	Water and Sanitation Federation FBiH - 16 municipalities	BiH	FS	1,250,000	EIB	121,000,000	Under execution

**Legend:**



Energy



Environment



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Transport

Round	Grant Code	Title of the Operation	Beneficiary	Type grant requested	Grant allocated	Lead IFIs	Total Estimated Investment	Status Dec 2010
3	TA3-BiH-ENV-01	Water and Sanitation in Republika Srpska - 15 municipalities	BiH	FS	1,250,000	EIB	80,000,000	Under execution
3	TA3-KOS-ENV-01	Project preparation Feasibility Studies for Wastewater Treatment Plants in Kosovo	KOS	FS	1,750,000	KfW	300,000,000	ToR under preparation
3	TA3-MON-ENV-04	Wastewater treatment plant and network in Rozaje	MNE	FS	200,000	EIB	9,300,000	ToR under preparation
3	TA3-MON-ENV-03	Wastewater treatment plant and network in Danilovgrad	MNE	FS	200,000	EIB	12,700,000	ToR under preparation
3	TA3-MON-ENV-02	Wastewater treatment plant and network in Kolasin	MNE	FS	200,000	EIB	6,550,000	ToR under preparation
3	TA3-SER-ENV-01	Municipal Water - Nis and Novi Sad Municipalities	SER	TMA	1,000,000	EIB	60,000,000	Delayed pending outcome of ongoing studies outside of WBIF
3	TA3-HR-SOC-01	Construction of a penitentiary/prison complex in Sibenik	HR	FS, TMA	800,000	CEB	72,000,000	Under execution
3	TA3-MKD-SOC-01	Health Provider Institutions (HPIs)	MKD*	TMA, FS, PD, DD	2,000,000	CEB	103,000,000	Under execution
3	TA3-SER-SOC-04	Social Housing - Serbia	SER	TMA	70,000	CEB	32,000,000	Completed
3	TA3-SER-SOC-03	Modernization of prison facilities / providing a humane and safe prison system	SER	FS, DD, TMA	700,000	CEB	20,000,000	ToR under review
3	TA3-SER-SOC-02	Modernization of Judiciary Facilities	SER	I, TMA, FS, DD	720,000	EIB	60,000,000	Delayed pending outcome of ongoing studies outside of WBIF
3	TA3-SER-SOC-01	Building the knowledge economy of Serbia, Research and Development Infrastructure Initiative/Teaching Infrastructure Investment Programme	SER	FS	600,000	EIB	200,000,000	Completed
3	WB1-ALB-TRA-01	Regional and Local Roads	ALB	DD, SofW, TMA,	4,000,000	EBRD/EIB	137,000,000	Evaluating tenders with loans signed

**Legend:**
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Round	Grant Code	Title of the Operation	Beneficiary	Type grant requested	Grant allocated	Lead IFIs	Total Estimated Investment	Status Dec 2010
3	WB1-BiH-TRA-03	Mahovljani Interchange: Assistance with Institutional Strengthening of RS Motorways	BiH	TMA	300,000	EBRD	28,700,000	Under execution
3	WB1-BiH-TRA-01	Corridor Vc Motorway	BiH	TMA, SofW	2,000,000	EIB	653,000,000	ToR under preparation
3	TA3-MON-TRA-01	Construction of the main road Scepan Polje-Pluzine (Bosnia and Herzegovina border)	MNE	PD, EIA	550,000	N/A	80,000,000	ToR under review
3	WB1-SER-TRA-03	Sava Bridge Loan Extension: Performance-Based Maintenance and Management ("PMMR") of Roads and Bridges	SER	TMA	240,000	EIB	404,090,000	ToR under preparation
3	WB1-SER-TRA-02	Belgrade Rail Modernisation Project - Procurement, Implementation Support and Contract Supervision & Urban Transport Public Service Contracting and Route Structuring Preparation	SER	TMA	750,000	EBRD	79,750,000	Final negotiations underway
3	WB1-SER-TRA-01	Corridor X Serbia	SER	PD, DD, SofW, TMA	4,500,000	EIB	1,570,000,000	Contract under preparation
4	WB4-ALB-ENE-01	FS for construction of new Substation Tirana3 with 120MVA capacity for reinforcement of Tirana Ring	ALB	FS	577,605	KfW	12,184,605	ToR under review
4	WB4-KOS-ENE-05	Energy Efficiency Measures in Public Buildings	KOS	FS	600,000	KfW	15,600,000	Under execution
4	WB4-SER-ENE-04	Interconnection with Bulgaria Gas Transmission Pipeline	SER	FS, EIA, SIA	1,000,000	EBRD	62,500,000	ToR under review
4	WB4-ALB-TRA-09	Detailed Design for Tirana-Durres Railway Section and economic financial appraisal for whole rail network	ALB	DD, EFA	1,250,000	EBRD	40,250,000	Discussions underway with Beneficiary

**Legend:**



Energy



Environment



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Transport

Round	Grant Code	Title of the Operation	Beneficiary	Type grant requested	Grant allocated	Lead IFIs	Total Estimated Investment	Status Dec 2010
4	WB4-ALB-ENV-05	FS & DD Regional landfill	ALB	FS, DD, CF	1,100,000	CEB KfW	30,000,000	
4	WB4-ALB-TRA-08	TA for Project Implementation Roads Sector	ALB	PIU	750,000	EIB	300,000,000	ToR under preparation
4	WB4-BIH-SOC-02	Support to the construction of a Maximum Security State Prison	BiH	PIU	3,200,000	CEB	39,600,000	Under execution
4	WB4-MNE-ENV-11	Construction of Regional Landfills in Pljevlja and Zabljak	MNE	FS, EIA, SIA	150,000	EIB	27,150,000	ToR under preparation
4	WB4-MNE-ENV-12	Construction of Regional Landfills in Montenegro	MNE	EIA, SIA	750,000	EIB	54,750,000	ToR under preparation
4	WB4-SER-TRA-06	TA for Railways infrastructure	SER	PIU, TMA, CF	800,000	EIB	N/A	ToR under preparation
4	WB4-SER-TRA-05	Documentation for Modernization of Railway NIS to FYROM	SER	FS,PD,EIA, SIA	1,040,000	EBRD	270,000,000	Discussions underway with Beneficiary
4	WB4-SER-SOC-05	TA for School modernization Programme	SER	TMA	800,000	EIB	100,000,000	ToR under preparation
4	WB4-SER-TRA-04	TA for Railways rehabilitation II	SER	PIU	1,000,000	EIB	168,700,000	ToR under preparation
4bis	WB4bis-MKD-ENE-03	Feasibility study and ESIA for the electricity production and irrigation components of the "Zletovica" project	MKD*	FS, EIA, SIA	1,000,000	EIB	131,000,000	TA procurement
4bis	WB4bis-SER-ENE-05	Rehabilitation of district heating systems in Serbia - Phase IV	SER	FS	500,000	KfW	58,297,000	TA procurement
4bis	WB4bis-REG-ENE-01	Feasibility study for 400kV interconnection Albania-former Yugoslav Republic of Macedonia	ALB, MKD*	FS, EIA, SIA	650,000	EBRD	36,150,000	TA procurement
MW2008	MW-KOS-ENV-KfW-02	Improvement of District Heating Pristina	KOS	CF	14,000,000	KfW	38,900,000	Grant and loan agreements about to be signed
MW2008	MW-ALB-ENV-CEB/KfW-06	Wastewater Pogradec	ALB	CF	3,500,000	CEB/KfW	18,100,000	Negotiations underway

**Legend:**
 Energy

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Round	Grant Code	Title of the Operation	Beneficiary	Type grant requested	Grant allocated	Lead IFIs	Total Estimated Investment	Status Dec 2010
MW2008	MW-ALB-ENV-CEB/KfW-02	Water Supply & Sewage, Gjirokastra, Fier	ALB	CF	4,500,000	CEB/KfW	21,700,000	Negotiations underway
MW2008	MW-ENV-CEB/KfW-06	Kamza Water and Sanitation	ALB	CF	5,500,000	CEB/KfW	20,500,000	Negotiations underway
MW2008	MW-BIH-ENV-EIB-01	Water and Sanitation (Velika Kladusa, Orasje, Bosanski Petrovac, Posusje, Široki Brijeg)	BiH	CF	17,000,000	EIB	121,300,000	Ratification expected mid-2011
MW2008	MW-BIH-ENV-EBRD-02	Bijeljina Wastewater System Project - Phase II	BiH	CF	3,000,000	EBRD	12,000,000	Discussions EBRD/EC ongoing
MW2008	MW-BIH-ENV-CEB/KfW-04	Water Supply and Sewerage Collection in Banja Luka	BiH	CF	3,000,000	CEB/KfW	17,600,000	Supervision consultant contracted
MW2008	MW-KOS-ENE-KfW-01	Rehabilitation of Pristina Water supply and sewage network	KOS	CF	11,000,000	KfW	15,000,000	Supervision consultant contracted
MW2008	MW-MNE-ENV-EIB-02	Rehabilitation and construction of water and wastewater infrastructure in North	MNE	CF	5,000,000	EIB	23,600,000	Grant agreement under negotiation
MW2008	MW-SER-ENV-CEB/KfW-01	Improvement of Water Supply and Sewerage Systems in Medium-Sized Towns in Serbia	SER	CF	3,000,000	CEB/KfW	49,500,000	Supervision consultant contracted
MW2008	MW-ALB-TRA-CEB/KfW-07	Feeder Roads	ALB	CF	9,000,000	CEB/KfW	29,000,000	Negotiations underway
MW2008	MW-SER-TRA-EIB-03	Belgrade Urban Renewal – Reconstruction of the urban transport system of the City of Belgrade	SER	CF	6,000,000	EIB	213,700,000	First project segment largely completed

## GLOSSARY

ATP	Assistance to Tendering Process
CF	Co-Financing
DD	Detailed Design
EFA	Economic and Financial Appraisal
EIA	Environmental Impact Assessment
FAA	Financial Affordability Analysis
FS	Feasibility Study
I	Identification
O	Other
PD	Preliminary Design
PIU	Support to Project Implementation Unit
SIA	Social Impact Assessment
SofW	Supervision of Works
TMA	Technical and Management Assistance
N/A	Not Applicable

## Legend:

	Energy		Environment
	Social		Transport

## BENEFICIARY

ALB	Albania
BIH	Bosnia and Herzegovina
CRO	Croatia
KOS	Kosovo
MKD	former Yugoslav Republic of Macedonia
MNE	Montenegro
SER	Serbia

## 6.2 Donor Contributions

### Status of the European Western Balkans Joint Fund (EWBJF) Contributions received and transferred since the launch of WBIF as of 31 December 2010

Contributions transferred from EBRD Western Balkans Fund (WBF)*	(EUR)
 Austria	808,507
 Canada	421,384
 Czech Republic	404,253
 Denmark	101,063
 Finland	101,063
 Hungary	101,063
 Ireland	151,595
 Luxembourg	141,489
 Netherlands	101,063
 Norway	404,253
 Poland	101,063
 Slovak Republic	141,489
 Slovenia	101,063
 Spain	303,190
 Sweden	942,569
 UK	843,107
<b>Total</b>	<b>5,168,214</b>

Contribution agreements signed in 2010 for EWBJF	(EUR)
 UK (GBP 4,500,000)	5,271,173
 Sweden (SEK 38,000,000)	3,919,326
 Austria	3,000,000
 Norway	3,000,000
 Germany	1,800,000
 Czech Republic	1,000,000
 Italy	1,000,000
 Finland	500,000
 Greece	500,000
 Slovenia	500,000
 Hungary	125,000
<b>Total</b>	<b>20,615,499</b>

**Total contributions received 25,783,713**



\* The €5,168,215.13 transferred from EBRD's WBF to EWBJF on 18 June 2010 represents EBRD's WBF unallocated fund balance, or funds available for projects less funds committed to projects. This amount was allocated to the donors of the WBF proportionately to the total amount of all contributions made by each donor to the WBF.



# WBIF

## Western Balkans Investment Framework

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