



# EIB in the Western Balkans

*Unlocking the growth potential: Economic corridors in South-East Europe*

*LSE Public Event*

*16 May 2024*



European  
Investment Bank

# Challenges in the Western Balkans

*Slow pace of reforms*



Hamper the identification and implementation of much needed investments

*Socio-economic infrastructure*



Socio-economic challenges include vulnerable groups e.g. youth unemployment, brain drain and economic informality.

*Technical expertise*



Lack of technical, management and financial expertise across public and private sector. Procurement issues and subsequent TA needs.

*Climate challenges*



Energy mix still overly carbon intensive and reliant on fossil fuels. Limited awareness and little incentives for greening the business model.

# Opportunity: The New Growth Plan for the Western Balkans

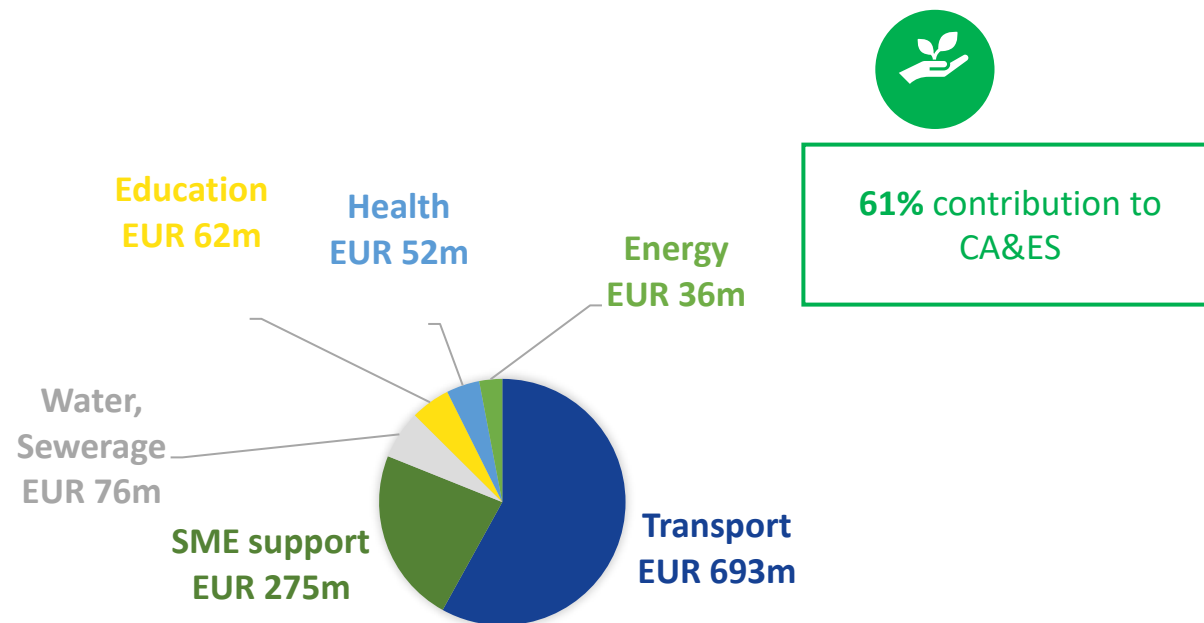
- ❖ The **New Growth Plan** for the Western Balkans was adopted by the EC on the 8<sup>th</sup> of November 2023
- ❖ It aims to **accelerate socio-economic convergence** and it comprises of **4 Pillars**:
  - **Pillar 1:** Access to the EU Single Market
  - **Pillar 2:** Boosting Economic Integration within the Western Balkans (Common Regional Market)
  - **Pillar 3:** Accelerating Fundamental Reforms to unlock economic growth potential
  - **Pillar 4:** Increased Financial Assistance for 2024-2027 (€6bn Reform and Growth Facility)

## Reform Agendas: Policy Areas

Rule of law and other Fundamentals	Governance, Public Administration Reform, Public Financial Management	Human capital
Energy and green transition	Digitalisation	Private sector development and business environment

# Overview of EIB's activity in the Western Balkans in 2023

## Sectoral allocation of EIB financing in 2023



Country	Signatures 2010 – 2023	Signatures 2023	Approvals 2023
Albania	EUR 320m	-	EUR 120m
Bosnia and Herzegovina	EUR 2.2bn	EUR 116m	-
Kosovo*	EUR 240m	-	EUR 45m
Montenegro	EUR 900m	-	-
North Macedonia	EUR 1.3bn	EUR 494m	EUR 364m
Serbia	EUR 5.3bn	EUR 585m	EUR 495m
<b>TOTAL</b>	<b>EUR 10.3bn</b>	<b>EUR 1.2bn</b>	<b>EUR 1bn</b>

Since 2010, on average, EIB financing in WB countries has amounted to over 8% of their GDPs

# EIB's support of Transport Infrastructure in the region

## EIB FLAGSHIP PROJECTS

- ⊕ Rail section on Corridor 8 in North Macedonia (**EUR 364m EIB loan**)
- ⊕ Belgrade-Niš railway line in Serbia (**EUR 1.1bn EIB loan**)
- ⊕ Vore Hani i Hotit railway line in Albania (**EUR 120m EIB loan**)
- ⊕ Vrbnica - Podgorica - Bar railway line in Montenegro (**EUR 20m EIB loan**)
- ⊕ Urban transport in Sarajevo (**EUR 75m EIB loan**)
- ⊕ Road rehabilitation and safety in Serbia (**EUR 185m EIB loan**)



## SECTOR FOCUS

- ▶ Sustainable mobility (railway, waterways, urban transport)
- ▶ Road safety

# EIB's support of the Energy Transition in the region

## FLAGSHIP PROJECTS

- ⊕ The windfarm project Vlašić in BiH (**EUR 36m EIB loan**)
- ⊕ Poklecani Wind Farm in BiH (**EUR 103m EIB loan**)
- ⊕ Solar photovoltaic plant in Kosovo\* (**EUR 33 EIB loan**)

## SECTOR FOCUS

- 🍃 Renewable energy
- 🍃 Energy efficiency
- 🍃 Decarbonisation
- 🍃 Energy infrastructure

## TECHNICAL ASSISTANCE

- ❖ In 2023, the EIB adopted the Just Transition and Just Resilience approach
- ❖ EU Initiative for Coal Regions in Transition in WBUA



# EIB's support of SMEs in the region

## PROJECTS

- 🌐 New credit lines with local commercial banks
- 🌐 UXOLO award received Intesa Sanpaolo Banka BiH for the social impact loan
- 🌐 New EIB/EIF guarantee facility for the region

## SECTOR FOCUS

- 👤 SMEs growth and job creation
- 👤 Green transition of SMEs
- 👤 Social impact financing

## TECHNICAL ASSISTANCE

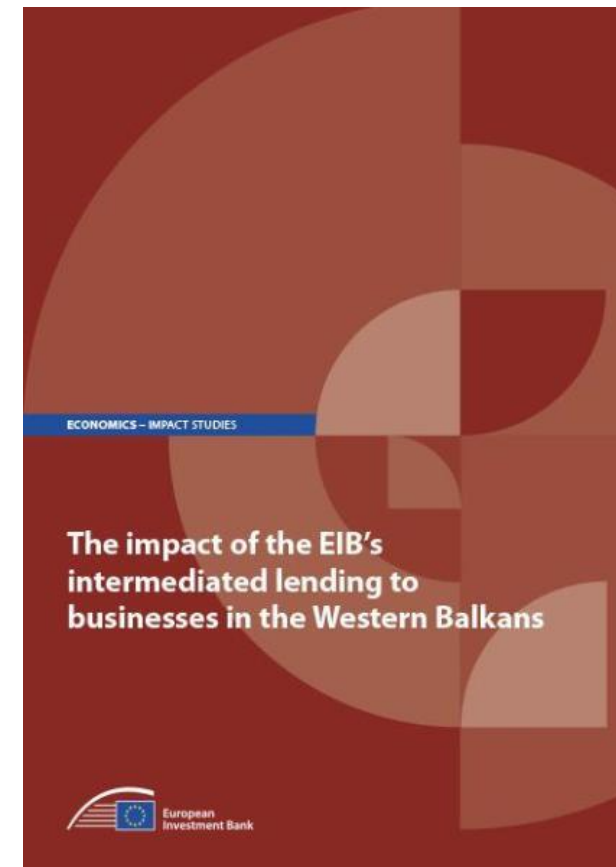
Supporting the DBNM for the rollout of the green credit line in North Macedonia



# Impact of EIB on-lending on SMEs' access to finance in the Western Balkans

## *EIB Economics Study, 2023*

- **The EIB plays a central role in the financing of SMEs and mid-caps in the WBs**
  - EIB channels liquidity through financial intermediaries on favourable conditions (lower interest rates or longer tenor)
- **EIB's intermediated lending has a positive impact on employment in the WBs**
  - SMEs benefiting from EIB loans reported a 15% increase in employment growth
- **EIB intermediated lending has a positive impact on firm investment in the WBs**
  - Firms with EIB loans experienced a 20% rise in total assets





# EIB's support of the Digital Transition in the region

## FLAGSHIP PROJECTS

- ❖ Design of a 5G mobile telecommunications network in Serbia (**EUR 70m EIB loan**)
- ❖ Support of the national digital education investment programme (Connected Schools) in Serbia (**EUR 70m EIB loan**)

## SECTOR FOCUS

- 👤 Improving the quality and the speed of the internet network
- 👤 Broadband deployment



# Contacts

**Jesus PUERTAS MARTINEZ:**

Corporate lending

Email: [j.puertasmartinez@eib.org](mailto:j.puertasmartinez@eib.org)

Tel: +352691284071

**Konstantinos MASTROGIANOPOULOS:**

Serbia

Email: [k.mastrogiannopoulos@eib.org](mailto:k.mastrogiannopoulos@eib.org)

Tel: +352691285274

**Alessandro DE CONCINI:**

Kosovo\* and North Macedonia

Email: [a.deconcini@eib.org](mailto:a.deconcini@eib.org)

Tel: +352621554581

**Gaetano MASSARA:**

Albania

Email: [g.massara@eib.org](mailto:g.massara@eib.org)

Tel: +352437982879

**Giovanni CAMISA:**

Montenegro

Email: [g.camisa@eib.org](mailto:g.camisa@eib.org)

Tel: +352691284235

**Branko CEVRIZ:**

Bosnia and Herzegovina

Email: [b.cevriz@eib.org](mailto:b.cevriz@eib.org)

Tel: +352691285814

**Anna BARONE / Florentin GUSMINI:**

Intermediated lending

Email: [a.barone@eib.org](mailto:a.barone@eib.org) /[florentin.gusmini@eib.org](mailto:florentin.gusmini@eib.org)

Tel: +352691215337 / +352691289696


**Maridalena Petrakou**

WBIF

E-mail: [maria-eleni.petrakou@eib.org](mailto:maria-eleni.petrakou@eib.org)

**LUXEMBOURG**
Dedicated operational team for  
the Western Balkans
 EIB Regional Hub

 EIB Representation (EUD)

 Future Offices: Podgorica,  
Pristina

**Sandrine FRISCIA**
Representative for Bosnia and  
HerzegovinaEmail: [s.friscia@eib.org](mailto:s.friscia@eib.org)

Tel: +38761713524

Sarajevo

Podgorica

Tirana

Belgrade

Pristina

Skopje


**Petia MANOLOVA**

Representative for Albania

Email: [p.manolova@eib.org](mailto:p.manolova@eib.org)

Tel: +355693455018


**Björn GABRIEL**
Representative for North  
MacedoniaEmail: [b.gabriel@eib.org](mailto:b.gabriel@eib.org)

Tel: +32479862192


**Alessandro BRAGONZI**

Head of WB Regional Hub

Email: [a.bragonzi@eib.org](mailto:a.bragonzi@eib.org)

Tel: +381638656140

**Ivana VUJIC**

Office Manager

Email: [i.vujic@eib.org](mailto:i.vujic@eib.org)

Tel: +38163328266

**Useful links:**

[The EIB in the Western Balkans](#)

[Financed projects \(eib.org\)](#)

[Our offices \(eib.org\)](#)

**THANK YOU**



European  
Investment Bank | Global