



## PRESS RELEASE

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### Western Balkans Investment Framework launched

***The European Commission, the European Investment Bank, the European Bank for Reconstruction and Development, the Council of Europe Development Bank, with the endorsement of EU Member States, today launched the Western Balkans Investment Framework (WBIF) to finance priority projects in the Western Balkans.***

The objective is to pool and coordinate different sources of finance and leverage loans with grants for priority projects in the countries of the Western Balkans. An initial focus on infrastructure sectors, including social infrastructure, will be expanded to include support to small and medium-sized enterprises (SMEs), energy efficiency and other investment sectors.

A first meeting of the WBIF steering committee decided to allocate EUR 26 million of grants for technical assistance support to 26 projects across the region in various sectors. The projects are expected to attract EUR 2.2 billion of loans from International Financial Institutions.

European Commissioner for Enlargement Olli Rehn said: "In turbulent times, the EU's enlargement process provides an anchor of stability to the countries of the Western Balkans. The EU stands by the region to help it alleviate the impact of the economic crisis. The Western Balkans Investment Framework is a tangible demonstration of this joint effort to support the integration and the economic recovery of the region as it will pool together resources for priority infrastructure projects."

EIB Vice President Dario Scannapieco said: "The decisions taken today show the effective commitment of all donors to improve and increase their interventions in the region. This coordination and better pooling of grants and loans has the potential to substantially improve the impact of donors' aid in the Western Balkans and EIB will continue to strengthen its activities in this framework of cooperation."

EBRD First Vice-President Varel Freeman said: "The Western Balkans Investment Framework, created jointly by our institutions, is an innovative and efficient tool of pooling financial resources which is aimed at helping beneficiary countries gain more access to finance for priority projects and improving the impact of these investments for the region as a whole."

Council of Europe Development Bank Governor Raphaël Alomar said: "We are strongly committed to investing in social cohesion and stability, in cooperation with our European peers and partners in the Western Balkan region. To date, CEB has helped finance some 10 billion euros worth of projects in Central and South-Eastern European countries. Against the prospect of growing vulnerability, CEB will further strengthen its action to support the public social infrastructure in the region".

The WBIF consists of a joint grant facility and a joint lending facility to finance priority projects in the Western Balkans. The joint grant facility will contribute to financing the preparation and implementation of priority projects in Albania, Bosnia Herzegovina, Croatia, Former Yugoslav Republic of Macedonia, Kosovo (under UNSCR 1244), Montenegro and Serbia. Good preparation and a strong implementation framework are essential for projects to receive loan financing and to successfully contribute to economic growth in the Western Balkans in the context of the accession process.

The European Commission has so far allocated some €110 million to support the financing of municipal infrastructure projects and technical assistance projects in the region. The EIB, EBRD and CEB have each pledged €10 million for technical assistance or other grant support, in accordance with their respective internal procedures. EU Member States and other donors are also invited to make grant contributions via a European Western Balkans Joint Fund co-managed by the EIB and EBRD, which is built around the pre-existing EBRD Western Balkan Fund and benefits from its experience. All these different sources of funding are now pooled together in the Joint Grant Facility.

The WBIF creates a single entry point for project submission by beneficiary countries and screening by contributors and financiers. The project selection will ensure consistency with the countries' needs and will support EU accession priorities.

The joint lending facility will complement the grant facility. The EIB, the bank of the European Union, and EBRD have committed themselves to making available 1 billion euro in loans. Likewise, CEB is set to enhance its lending to the region for social projects.

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