



Western Balkans: An Economic and Investment Plan

24th Energy Efficiency Coordination Group
Meeting and Workshop

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Content and aim



“The Plan offers a path for a successful regional economic integration to help accelerate convergence with the EU and close the development gap between our regions, ultimately speeding up the process of EU integration.”

EU Commissioner for Neighbourhood and Enlargement, Olivér Várhelyi

Objectives

- Spur the **long-term recovery** and accelerate **green and digital transition**
- Foster regional cooperation and **convergence with the EU**
- **Up to €9 billion** of EU funding (*IPA III funding, subject to the adoption of the next MFF 2021-2027*)
- Attract public and private investments, backed by the **Western Balkan Guarantee Facility**, which has a potential to mobilize **up to €20 billion**
- **Sustainability of investments**: reforms in rule of law and fight against corruption

Structure

- Key areas for economic development – Investment flagships
- Common Regional Market

Six key areas for economic development

1. SUSTAINABLE TRANSPORT

- FLAGSHIP 1 – Connecting East to West
- FLAGSHIP 2 – Connecting North to South
- FLAGSHIP 3 – Connecting the coastal regions

2. ENVIRONMENT AND CLIMATE (Green Agenda)

- FLAGSHIP 7 – Waste and Waste water management

The **Green Agenda for the Western Balkans** is informed by the five core areas of the Green Deal:

- ✓ Decarbonisation: climate, energy, mobility
- ✓ Circular economy
- ✓ Depollution of air, water and soil
- ✓ Farming and food production
- ✓ Protecting biodiversity



The **Green Agenda** is embedded in the EIP and was endorsed during the Sofia Summit at 10 November 2020.

Six key areas for economic development

3. CLEAN ENERGY

- FLAGSHIP 4 – Renewable energy
 - Increased use of RE sources will be supported, in line with the region's potential and national preferences
- FLAGSHIP 5 – Transition from coal
 - Future-proof gas pipelines supportive of the low carbon transition and transit of decarbonised gas and hydrogen
 - Performant electricity transmission lines and smart grids for increased use of RE sources in line with the region's potential

Six key areas for economic development

3. CLEAN ENERGY

- FLAGSHIP 6 – Renovation wave
 - Expansion of the “EU renovation wave” to the Western Balkans
 - Decarbonisation of public and private building stock, with a strong emphasis on digitalisation and taking into account energy poverty
 - Triple the current renovation rate and energy savings in existing buildings
 - Nearly-zero energy and emission standard in new buildings

Six key areas for economic development

4. DIGITAL FUTURE

- FLAGSHIP 8 – Digital infrastructure

5. PRIVATE SECTOR

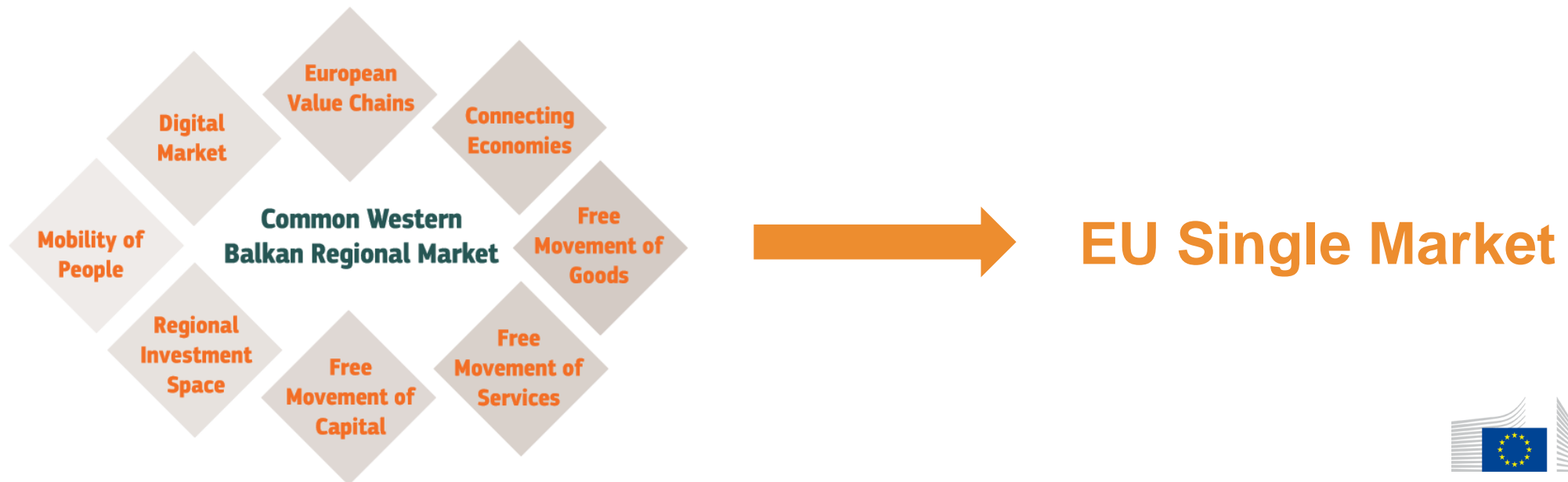
- FLAGSHIP 9 – Investing in the competitiveness of the private sector

6. HUMAN CAPITAL

- FLAGSHIP 10 – Youth Guarantee

Common Regional Market

- Development of a Common Regional Market to facilitate the integration of the region more closely with the EU
- Integration both within the region and with the EU, and an important milestone for preparation for the EU accession



Common Regional Market

- A stepping stone to integrate the region with the EU Single Market

Enhanced market integration of the **Western Balkans** could bring



an additional
6.7%
GDP growth
to the region

For all of the **Western Balkan partners**,
the EU is the first trade partner



accounting for over
69.4%
of the region's
total trade
in 2019.

In terms of foreign direct investment (FDI),
EU companies
are by far the **leading investors** in the region,



accounting
for approximately
65.5%
of total FDI stock
in the region
in 2018.

Thank you



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