

Billions of EU funds could be set for infrastructure projects in the Western Balkans that are not needed, are non-transparent, and could lock the region into fossil fuels, particularly gas, for decades to come.

The alarm was raised by Bankwatch, who analysed proposals for grants totalling €29 billion from the Instrument for Pre-Accession and the Western Balkans Guarantee Facility, under the Commission's 2020 Economic and Investment plan for the Western Balkans.

The plan lays out ten flagship areas for investment covering renewable energy, transport, gas and electricity transmission, energy efficiency, digital, and youth. Governments submitted 79 project proposals for financing under each category.

Bankwatch noted that the project lists were not subject to any public consultation and have not been made public - until now.

"The list contains many projects which appear reasonable and much-needed, but many others are not in line with EU policy and/or legislation and must not be funded with EU money," the briefing states.

It continues that there is a significant imbalance between categories, with not a single government submitting any project in energy efficiency, despite pressing needs to save energy in the region. Other missing projects include reducing electricity distribution losses, boosting the heating sector, promoting efficient heat pumps and solar thermal and fourth-generation renewable district heating.

In February, the Commission approved the first investment package consisting of 21 projects worth €3.2 billion. According to Bankwatch, the projects include Corridor Vc sections south of Mostar in Bosnia and Herzegovina, where war returnees face the threat of losing their land and destruction threatens the Buna and Bunica rivers.

Bankwatch made a series of recommendations to the Commission regarding the other projects waiting for funding approval. These include not funding 'red flag' projects identified by Bankwatch, increasing the transparency of project selection, and limiting the funding of roads.

In terms of energy, they categorically state 'Stop using EU public money to finance gas in the Western Balkans'. Additionally, fossil fuel projects should not be accepted, renovation and efficiency should be promoted, and hydropower should be ditched in favour of solar, wind, and geothermal.

"In most of the Western Balkans, gas infrastructure would have to be built from the beginning, which would take years and massive amounts of money. This would lock in gas infrastructure at a time when the countries need to be investing in energy efficiency and renewables instead of building new fossil fuel infrastructure," Bankwatch stated, Euractiv



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