

A group of European financial institutions has committed €616.5mn of co-financing for energy and transport projects in the Western Balkans over the next six years. As agreed at the Western Balkans Summit in Vienna, the projects will be co-financed under the 2015 Instrument for Pre-Accession programme (IPA) and Western Balkans Investments Framework, by the European Investment Bank (EIB), the European Bank for Reconstruction and Development (EBRD), and the German development bank KfW.

KfW is investing a total of €98mn (of which €20.6mn is a grant) in three electricity projects: the Serbia and Montenegro grid section of the trans-Balkan electricity corridor, and the Albania grid section of a power interconnection between Albania and the former Yugoslav Republic of Macedonia (FYROM). The FYROM grid is covered by the EBRD, which is also providing financing to the Orient/East Med-Corridor through FYROM, Kosovo and Serbia. The EBRD is investing a total €129.9mn, 39% of which is a grant.

The EIB is covering the €40mn investment, granting 50% of it, for the Montenegro-Serbia interconnection of the Orient/East Med-Corridor, as well as supplying the €143.4mn necessary investment (€28.8mn of which is granted) for the road interconnection between Bosnia and Herzegovina and Croatia in the Mediterranean Corridor.

Upon completion, these projects will provide facilitated mobility for civil and business purposes, with improved integration within the region as well as with the EU. The priority projects will help remove bottlenecks, promote interoperability, and build missing cross-border connections.

EBRD President Suma Chakrabarti comments: "We strongly believe in the potential of the Western Balkans region. In the current challenging times it is all the more important that the countries continue on their path of reforms which bring them closer to Europe and, at the same time, that Europe extends its solidarity and active support. Both sides stand to benefit from mutual co-operation, and the summit in Vienna delivered progress towards this goal."

The funding is subject to a final decision by the budgetary authorities.

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