



## Western Balkans: An Economic and Investment Plan to support the economic recovery and convergence

Brussels, 6 October 2020

Today, the European Commission adopted a comprehensive **Economic and Investment Plan for the Western Balkans**, which aims to spur the long-term economic recovery of the region, support a green and digital transition, foster regional integration and convergence with the European Union.

EU High Representative for Foreign Affairs and Security Policy/Vice-President of the European Commission, Josep **Borrell**, said: *"The citizens of the Western Balkans are part of Europe and we have a shared interest in helping these six partners move forward on their EU path. With the Economic and Investment Plan, we are backing our Enlargement Package assessment with action, providing deep and strong support for economic recovery and reform – for a modern, greener and more prosperous Western Balkans delivering better to their citizens on the road to the EU."*

Presenting the new **Plan**, EU Commissioner for Neighbourhood and Enlargement, Olivér **Várhelyi**, commented: *"Today we are presenting our Economic and Investment plan for the Western Balkans to boost the economic development and recovery of the region. We will mobilise up to €9 billion of funding for investment flagships in the areas of transport, energy, green and digital transition, to create sustainable growth and jobs. The Plan also 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. This plan should help to transform the Western Balkans into one of the most attractive region for investments in the world. Implementation of course will need to go hand in hand with reforms."*

The Economic and Investment Plan sets out a **substantial investment package mobilising up to €9 billion of funding for the region**. It will support sustainable connectivity, human capital, competitiveness and inclusive growth, and the twin green and digital transition.

In parallel to the Economic Investment plan to support the region, the Commission has presented guidelines for implementing the Green Agenda in the Western Balkans, expected to be adopted at the Western Balkans Summit in Sofia in November 2020. It foresees actions around five pillars. These are (i) climate action, including decarbonisation, energy and mobility, (ii) circular economy, addressing in particular waste, recycling, sustainable production and efficient use of resources, (iii), biodiversity, aiming to protect and restore the natural wealth of the region, (iv), fighting air, water and soil pollution and (v) sustainable food systems and rural areas. Digitalisation will be a key enabler for the above five pillars in line with the concept of the dual green and digital transition.

The Plan identifies ten investment flagships to support major road and railway connections in the region, renewable energy and the transition from coal, renovation of public and private buildings to increase the energy efficiency and reduce greenhouse gas emissions, waste and waste water management infrastructure, as well as the roll out of broadband infrastructure. Other flagships include increased investments in the private sector to boost competitiveness and innovation, in particular of small and medium sized companies and a Youth Guarantee.

In addition to the EU's significant grant funding to the region, the EU can provide guarantees to help reduce the cost of financing for both public and private investments and to reduce the risk for investors. Support through the new **Western Balkans Guarantee facility**, under the EU External Action Guarantee and the European Fund for Sustainable Development Plus, is expected to mobilise potentially investments of up to €20 billion in the next decade.

The investment package will be a key driver for facilitating increased public and private investments in the region by European and international financial institutions.

Better connecting the economies of the Western Balkans within the region and with the EU requires a strong commitment from the Western Balkans to implement fundamental reforms, deepen regional economic integration and develop a common regional market on the basis of the EU *acquis* in order to make the region a more attractive investment area.

The Commission has been supporting the efforts of the Governments of the region to develop a new vision for the creation of a regional economic area expected to be endorsed at the Sofia Summit in November 2020. The EU will strive to bring the region closer to the EU Single market. Good governance is the foundation for sustainable economic growth. Boosting investment and economic growth will therefore only be possible if the Western Balkans firmly commit to and implement fundamental reforms in line with European values.

As reflected in the enhanced enlargement methodology, partners which progress in reform priorities should benefit from increased funding and investments.

## **Background**

The Commission also adopted today the 2020 Enlargement Package, its annual assessment of the implementation of fundamental reforms in the Western Balkan partners and Turkey. These assessments are accompanied by recommendations and guidance on these reform priorities, which remain at the heart of the EU accession process. The implementation of these reforms, in particular in the rule of law area, will be crucial for the success of this economic plan and fostering sustainable economic development in the region.

## **For More Information**

[Commission's Communication on an Economic and Investment Plan for the Western Balkans](#)

[Questions and Answers: the Economic and Investment Plan for the Western Balkans](#)

[Guidelines for the Implementation of the Green Agenda for the Western Balkans](#)

[Factsheet on Economic and Investment plan](#)

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