



EU-WESTERN BALKANS ECONOMIC RELATIONS - INVESTING IN PEOPLE, INFRASTRUCTURES AND REFORMS

May 2018

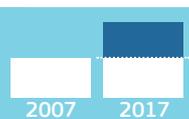
The European Union has long supported its partners in the Western Balkans on their respective integration paths, and the European Council reaffirmed its unequivocal support for the European perspective of the Western Balkans on 9 March 2017. In February 2018, the European Commission adopted the Communication 'A credible enlargement perspective for and enhanced EU engagement with the Western Balkans', confirming the European future of the region as a geostrategic investment in a stable, strong and united Europe based on common values.

THE ECONOMIC POTENTIAL OF THE EU'S RELATIONS WITH THE WESTERN BALKANS

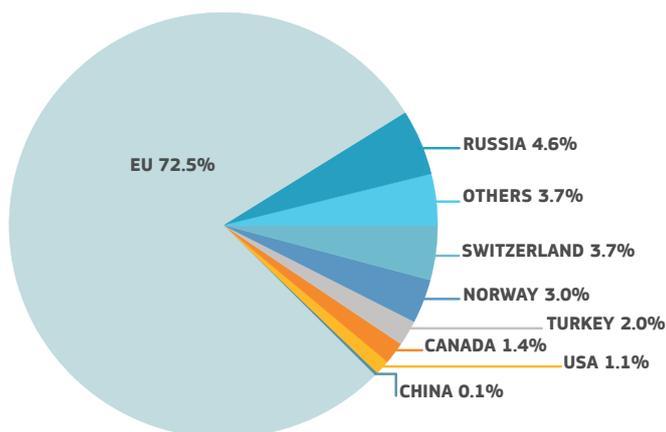
- EU companies are the **biggest investors** in the Western Balkans: over €10 billion of Foreign Direct Investments in the past five years.
- The Western Balkans is a market of some **18 million consumers**.
- Future potential:** fast growing economies with high domestic demand.

The EU is the Western Balkans' **largest trading partner**. Trade with the EU represents 72.8% of the total trade flows of the region.

€47.6 BILLION in EU-Western Balkans trade in 2017, which has almost doubled over the past 10 years



Foreign Direct Investment inflows in Western Balkans 2007-2015



INVESTING IN INFRASTRUCTURE

By 2014 **€3 billion** of investments in infrastructure thanks to EU grants.

In 2015 **€1 billion** set aside extra EU grants to support the 'Connectivity Agenda'

Will leverage: **€4 billion in investments** and **45.000 + jobs**. Concrete results of the 'Connectivity Agenda' to date:

- **€700 million in EU grants**
- investments for **€2.4 billion**
- **25.000+ jobs**
- work on **6 connectivity projects** across the region has started and 31 more projects are in preparation

CREATING OPPORTUNITIES FOR YOUTH AND INNOVATION

Direct participation in EU programmes such as **Erasmus+**, **Horizon 2020**, **Creative Europe**, and **COSME** helps the Western Balkans partners boost their development by creating opportunities for young people and researchers.

- In 2016, more than 5,000 students and teaching staff from the Western Balkans benefitted from exchange opportunities provided by Erasmus+. Additional 7,000 young people and youth workers participated in youth exchanges, while another 50,000 persons took part in conferences, meetings or large-scale events organised at the local level.
- The Horizon 2020 programme provides more than €125 million in EU funding between 2014 and 2020 to boost research and innovation.

PROVIDING THE FINANCIAL MEANS FOR A SUCCESSFUL EU ACCESSION

The Instrument for Pre-Accession Assistance supports the Western Balkans in their preparation for EU accession and facilitates regional and cross-border cooperation. The Commission proposed for the next Multiannual Financial Framework for the period 2021-2027 an increase of funds for the Western Balkans in support of reforms in view of the EU membership.



INVESTED DURING
2007 - 2017



FORESEEN FOR
2018



AS OF 2021*

* Commission proposal for the future EU budget 2021-2027

The Instrument for Pre-Accession Assistance funding will be even more tailored to the needs of the countries in the future.

ALBANIA



EU FUNDING

- **€1.24 billion** in EU pre-accession funds 2007-2020
- **€135 million** for sector budget support programmes
- **€359 million** provided in European Investment Bank loans since 1999
- **€92.5 million** in Western Balkans Investment Framework¹ grants since 2009, leveraging investments estimated of **€1.2 billion**
- **€14.9 million** in disaster relief after the 2015 floods



€51 million to construct roads in rural areas which will improve travel across Albania

BOSNIA AND HERZEGOVINA



EU FUNDING

- **€690 million** in EU pre-accession funds 2007-2017
- **€2.2 billion** in European Investment Bank loans since 1999
- **€122 million** in Western Balkans Investment Framework grants since 2009, leveraging investments estimated at **€2.8 billion**
- **€51 million** in disaster relief after the 2014 floods
- **€10 million** in support to refugees under the Regional Housing Programme



€25 million to build the Svilaj bridge connecting Bosnia and Herzegovina to Croatia, decreasing travel time by one hour

THE FORMER YUGOSLAV
REPUBLIC OF MACEDONIA



EU FUNDING

- **€1.28 billion** in EU pre-accession funds 2007-2020
- **€649 million** in European Investment Bank loans since 1999
- **€93.4 million** in Western Balkans Investment Framework grants since 2009, leveraging investments estimated of **€905 million**



€70 million to rehabilitate 34 km of railway connections to Greece, improving safety and speed for passengers and goods

KOSOVO*



EU FUNDING

- **€1.48 billion** in EU assistance funds 2007-2020
- **€149 million** in European Investment Bank loans since 1999
- **€95.7 million** in Western Balkans Investment Framework grants since 2009, leveraging investments estimated at **€764 million**



€48.5 million for energy efficiency and environmental measures which will improve quality of life

MONTENEGRO



EU FUNDING

- **€506.2 million** in EU pre-accession funds 2007-2020
- **€621 million** in European Investment Bank loans since 1999
- **€81 million** in Western Balkans Investment Framework grants, leveraging investments of **€732 million**



€26 million to build high-voltage cross-border electricity networks to Serbia and Italy, increasing energy security

SERBIA



EU FUNDING

- **€2.5 billion** in EU pre-accession funds 2007-2020
- **€5 billion** in European Investment Bank loans since 1999
- **€116.4 million** in Western Balkans Investment Framework grants, leveraging investments of **€ 2.25 billion**



€28 million to build two modern border crossings and a terminal on the Danube, to facilitate movement of goods and people

* This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.

¹ The Western Balkans Investment Framework (WBIF) provides finance and technical assistance, particularly in infrastructure, energy efficiency, and private sector development. It is a joint initiative of the EU, International Financial institutions, bilateral donors, and the governments of the Western Balkans.