The Western Balkans Investment Framework (WBIF), including its private sector platform the Western Balkans Enterprise Development and Innovation Facility (WB EDIF), gathers Western Balkans partners, bilateral donors and International Financial Institutions in support of the region and individual countries growth and convergence. The WBIF was created in 2009, with the European Union as major donor through the Pre-Accession Assistance Instrument (IPA).

The Pre-Accession Assistance (IPA II) also provides additional funds as bilateral grants directly to Bosnia and Herzegovina, to support projects in the fields of transport, energy, environment, competitiveness, innovation and capacity building.

In Bosnia and Herzegovina, the WBIF also supports private sector competitiveness and innovation (including agriculture) with blended investments (grants and loans) through the following instruments:

- WB EDIF • financing for SMEs
- EFSE • sub-loan investments
- GGF • sub-loan investments
- REEP/REEP+ • financing for private sector

In Bosnia and Herzegovina, the EU is the largest investor and most loyal partner for BiH. Through strategic support to key infrastructure projects in sectors such as energy, the environment, green growth, social inclusion, transport, digitalisation and innovation, the EU is demonstrating its commitment to BiH and our common European future.

Within the framework of the WBIF, the EU is funding a number of projects in Bosnia and Herzegovina, including:

- 143 km of motorways and 2 cross-border bridges
- 57 km of railway lines rehabilitated
- 158 MW electricity from renewables
- Improved water/wastewater systems for 1.8 million people
- Flood forecasting and warning system for 3.3 million people in the Sava River Basin
- Social housing solutions for 7,200 internally displaced people

In Bosnia and Herzegovina, the GGF finances renewable energy projects through the Regional Energy Efficiency Programme (REEP/REEP Plus).

The EBIF/EDIF fosters economic development through the provision of finance to intermediate lending institutions that on-lend to micro and small enterprises (MSEs), farmers, agro-businesses, and households.

The EFSE fosters economic development through the provision of finance to intermediate lending institutions that on-lend to micro and small enterprises (MSEs), farmers, agro-businesses, and households.

The GGF finances renewable energy projects through the Regional Energy Efficiency Programme (REEP/REEP Plus).

The REEP/REEP Plus provides a combination of financing instruments to municipalities, SMEs and households for the sustainable energy efficiency projects.
BOSNIA AND HERZEGOVINA

**WBIF PUBLIC SECTOR • Blending investments for major infrastructural projects**

**Mediterranean Corridor: Construction of road Corridor Vc in Bosnia and Herzegovina**

Road Corridor Vc, part of the indicative extension of the TEN-T Mediterranean Corridor to the Western Balkans - is the most ambitious investment programme in Bosnia and Herzegovina. It stretches from the border with Croatia in the north to the Adriatic Sea in the south. The investments contribute to: (i) improved accessibility for more than 1.5 million people living along Corridor Vc; (ii) increased travel speeds from 60 km/h to 130 km/h on the motorway; (iii) Lower road accident rates and vehicle operating costs; (iv) Improved trade flows within the wider region.

Bosnia and Herzegovina's power sector is presently dominated by fossil fuels. For long-term energy conservation and environmental preservation, the identification of alternative sources of energy production is a priority. The main objective of the project is to promote renewable energy sources, through the construction of wind turbines with an estimated capacity of 50 MW in 10 different locations for electricity generation. In addition to environmental benefits, the project would have a significant economic and social impact on the local community, including generation of employment opportunities and infrastructural development.

**Vlašić - Travnik 50MW Wind Farm**

Total Investment: €1.2bn
KfW loan: €36m; EIB loan: €36m
EIB and EBRD loans: €920.6m

**WATSAN programmes in Bosnia and Herzegovina**

Housing and social integration of vulnerable persons living in collective accommodation

This project was launched in 2008 with the purpose to assist 50 small and medium sized municipalities in the Federation of BiH (FBiH) and Republika Srpska (RS), in developing sustainable water and sanitation services, in accordance with EU accession conditions. Apart from the construction of needed facilities and reconstruction of existing water supply and sanitation systems, including wastewater treatment plants, the WATSAN Programme uses investments in water and wastewater infrastructure to improve the living conditions of the population, ensure access to continuous water supply and sanitation services, and implement environmental protection measures in compliance with the obligations of EU accession and legislation harmonisation.

**Grants from the EU-funded REEP Plus.**

The Regional Energy Efficiency Programme for the Western Balkans (REEP) is funded from the European Union’s European Regional Development Fund (ERDF) and the European Investment Bank (EIB) and Germany’s KfW Development Bank.

A small eco-camp with several mountain huts for tourists has been established by a local entrepreneur in the outskirts of Tuzla. In an effort to use less wood for the stoves, they took a loan from the local financial house and insulated the huts. Since then, energy savings have reached 60% on annual basis. The loan was made possible by KfW Development Bank accompanied by grants from the EU-funded REEP Plus.

**WBIF PRIVATE SECTOR • Access to finance and competitiveness, energy efficiency and renewables**

**Western Balkans Enterprise Development & Innovation Facility**

**Objective:** Improve capacity and access to affordable finance for companies in the Western Balkans.

The Western Balkans Enterprise Development & Innovation Facility (WB EDIF) is the EU-led platform for private sector development in the Western Balkans. It unites key stakeholders including the Western Balkan governments, IFIs, regional organisations, and bilateral donors to pull and leverage together financing and expertise. WB EDIF provides diversified access to finance for small and medium enterprises (SMEs) via a range of financial instruments (i.e. guarantees, equity and loans). This is accompanied by advisory services to boost the SMEs investment readiness and support for policy reforms in the region.

- €6.2m in sub-loan investments
- 6,680 sub-loans
- 130,921 MWh/yr primary energy savings
- 41,416 t CO₂ emissions reduction

**Regional Energy Efficiency Programme for the Western Balkans**

**Objective:** Provide sustainable funding to micro and small enterprises and low-income families.

The European Fund for Southeast Europe (EFSE) is an EU supported public-private fund fostering economic development through the provision of finance to intermediate lending institutions that on-lend to SMEs, including farmers and agro-businesses, and to private households. Its development facility provides technical assistance to build the capacity of the entrepreneurial ecosystem (e.g. entrepreneurs, financial institutions, public). KfW is the initiator and lead investor of the Fund.

- €76.6m in sub-loan investments since inception
- 194,572 sub-loans provided since inception
- 244 SMEs supported
- €46.2m in financing for SMEs

**European Fund for Southeast Europe**

**Objective:** Support regional measures to cut energy use and CO₂ emissions by 20%.

The Regional Energy Efficiency Programme for the Western Balkans (REEP) is a fund that provides a combination of financing instruments, technical assistance and policy dialogue to address market barriers and stimulate longer-term market development. Implemented by the European Bank for Reconstruction and Development (EBRD), the Energy Community Secretariat and KfW with the support of the EU and other bilateral donors, the programme supports the improvement of the regulatory environment for investments in energy efficiency, sustainable and renewable energy. It also facilitates access to finance to municipalities, SMEs and private households.

- €6m in direct financing for private sector
- Improved energy efficiency

**Green for Growth Fund**

**Objective:** Create a sustainable market for energy efficiency in the Western Balkans.

The European Fund for Southeast Europe (EFSE) is an EU supported public-private fund fostering economic development through the provision of finance to intermediate lending institutions that on-lend to SMEs, including farmers and agro-businesses, and to private households. Its development facility provides technical assistance to build the capacity of the entrepreneurial ecosystem (e.g. entrepreneurs, financial institutions, public). KfW is the initiator and lead investor of the Fund.

- 26.2m in sub-loan investments
- 6,680 sub-loans
- 130,921 MWh/yr primary energy savings
- 41,416 t CO₂ emissions reduction

**European Fund for Southeast Europe**

**Objective:** Create a sustainable market for energy efficiency in the Western Balkans.

The European Fund for Southeast Europe (EFSE) is a fund that provides a combination of financing instruments, technical assistance and policy dialogue to address market barriers and stimulate longer-term market development. Implemented by the European Bank for Reconstruction and Development (EBRD), the Energy Community Secretariat and KfW with the support of the EU and other bilateral donors, the programme supports the improvement of the regulatory environment for investments in energy efficiency, sustainable and renewable energy. It also facilitates access to finance to municipalities, SMEs and private households.

- €6m in direct financing for private sector
- Improved energy efficiency

**European Fund for Southeast Europe**

**Objective:** Support regional measures to cut energy use and CO₂ emissions by 20%.

The Regional Energy Efficiency Programme for the Western Balkans (REEP) is a fund that provides a combination of financing instruments, technical assistance and policy dialogue to address market barriers and stimulate longer-term market development. Implemented by the European Bank for Reconstruction and Development (EBRD), the Energy Community Secretariat and KfW with the support of the EU and other bilateral donors, the programme supports the improvement of the regulatory environment for investments in energy efficiency, sustainable and renewable energy. It also facilitates access to finance to municipalities, SMEs and private households.

- 26.2m in sub-loan investments
- 6,680 sub-loans
- 130,921 MWh/yr primary energy savings
- 41,416 t CO₂ emissions reduction

**Green for Growth Fund**

**Objective:** Create a sustainable market for energy efficiency in the Western Balkans.

The European Fund for Southeast Europe (EFSE) is a fund that provides a combination of financing instruments, technical assistance and policy dialogue to address market barriers and stimulate longer-term market development. Implemented by the European Bank for Reconstruction and Development (EBRD), the Energy Community Secretariat and KfW with the support of the EU and other bilateral donors, the programme supports the improvement of the regulatory environment for investments in energy efficiency, sustainable and renewable energy. It also facilitates access to finance to municipalities, SMEs and private households.

- €6m in direct financing for private sector
- Improved energy efficiency

**European Fund for Southeast Europe**

**Objective:** Support regional measures to cut energy use and CO₂ emissions by 20%.

The Regional Energy Efficiency Programme for the Western Balkans (REEP) is a fund that provides a combination of financing instruments, technical assistance and policy dialogue to address market barriers and stimulate longer-term market development. Implemented by the European Bank for Reconstruction and Development (EBRD), the Energy Community Secretariat and KfW with the support of the EU and other bilateral donors, the programme supports the improvement of the regulatory environment for investments in energy efficiency, sustainable and renewable energy. It also facilitates access to finance to municipalities, SMEs and private households.

- €6m in direct financing for private sector
- Improved energy efficiency

**European Fund for Southeast Europe**

**Objective:** Support regional measures to cut energy use and CO₂ emissions by 20%.

The Regional Energy Efficiency Programme for the Western Balkans (REEP) is a fund that provides a combination of financing instruments, technical assistance and policy dialogue to address market barriers and stimulate longer-term market development. Implemented by the European Bank for Reconstruction and Development (EBRD), the Energy Community Secretariat and KfW with the support of the EU and other bilateral donors, the programme supports the improvement of the regulatory environment for investments in energy efficiency, sustainable and renewable energy. It also facilitates access to finance to municipalities, SMEs and private households.

- €6m in direct financing for private sector
- Improved energy efficiency

**European Fund for Southeast Europe**

**Objective:** Support regional measures to cut energy use and CO₂ emissions by 20%.

The Regional Energy Efficiency Programme for the Western Balkans (REEP) is a fund that provides a combination of financing instruments, technical assistance and policy dialogue to address market barriers and stimulate longer-term market development. Implemented by the European Bank for Reconstruction and Development (EBRD), the Energy Community Secretariat and KfW with the support of the EU and other bilateral donors, the programme supports the improvement of the regulatory environment for investments in energy efficiency, sustainable and renewable energy. It also facilitates access to finance to municipalities, SMEs and private households.

- €6m in direct financing for private sector
- Improved energy efficiency

**European Fund for Southeast Europe**