



EU SUPPORT TO ALBANIA

INVESTMENT INSTRUMENTS



EUROPEAN UNION
The largest provider of financial assistance to Albania

The **Economic and Investment Plan for the Western Balkans**, adopted by the European Commission on 6 October 2020*, aims to spur the long-term economic recovery of the region, to support a green and digital transition, to foster regional integration and convergence with the European Union. The investment package will be a key driver for facilitating increased public and private investments in the region by European and international financial institutions.

*COM(2020)641 final

FLAGSHIP 3: Connecting the coastal regions



The Rail Route 2, linking the capitals of Tirana and Podgorica and extended to the port of Durres, will be enhanced. Major steps will be taken to complete the Blue Highway along the coast from Croatia down to Greece: the Tirana road bypass will be completed, and two further sections will be substantially advanced.

FLAGSHIP 4: Renewable energy



The Fierza Hydro Power Plant will be rehabilitated.

FLAGSHIP 5: Transition from coal



As part of the Trans Adriatic Pipeline, the construction of the Fier – Vora gas pipeline will be completed, and the Ionian-Adriatic pipeline along the coast will be prioritised.

FLAGSHIP 7: Waste and waste water management



Integrated regional waste management systems, going hand-in-hand with the closure of non-compliant landfills, will be established.

FLAGSHIP 8: Digital infrastructure



The development and roll-out of national broadband infrastructure will continue – with the completion of the most advanced investment projects by 2024.

FLAGSHIP 9: Competitiveness of the Private Sector



Increase the grant amount and guarantee capacity to support the private sector and mobilise assistance for sustainable rural development.

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 Albania, to support projects in the fields of transport, energy, environment, competitiveness, innovation and capacity building.

	WBIF grants 2009 - 2021	IPA II bilateral grants 2014 - 2021
Sustainable transport	€125.2m	€24m
Clean energy	€30.4m	–
Environment & Climate	€26.8m	€28.1m
Human Capital	€3m	€165.7m
Digital future	€3.4m	–
Private sector (incl. agriculture)	Breakdown of support provided below	€208.3m
Total EU Support	€188.8m	€426.1m



‘Connecting people and improving their living standards is at the heart of the WBIF investments. While Albania goes through its necessary reform process to prepare for EU membership, the WBIF brings immediate and concrete benefits to people.’

Ambassador Luigi Soreca
Head of EU Delegation to Albania

WBIF AND ALBANIA

ALBANIA AND THE WESTERN BALKANS INVESTMENT FRAMEWORK (WBIF)

Results

- 1,043 km of motorways and new roads
- 193 km of railway lines rehabilitated
- 174 km of electricity transmission lines upgraded
- Improved water/wastewater/solid waste services for 2.1 million people
- Better schools for 18,500 students
- Healthcare treatment and research facilities for 2.8 million people

In Albania, 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	€49.2m
EFSE • sub-loan investments	€112.5m
GGF • sub-loan investments	€32m
REEP/REEP+ • financing for private sector	€5.2m
Total	€198.1m

WBIF GRANTS	Investment grants: €142.1m
€188.8m	Technical assistance: €46.7m
SIGNED LOANS	SUPPORT TO PRIVATE SECTOR
€470m	€198.1m
ESTIMATED PROJECT VALUE	PROJECTS SUPPORTED
€2.5bn	38

Data as of September 2021

SME access to finance and competitiveness

WB EDIF Western Balkans Enterprise Development & Innovation Facility (WB EDIF)

The WB EDIF provides diversified access to finance for small and medium enterprises (SMEs) via a range of financial instruments, accompanied by advisory services to boost the SMEs investment readiness.

EFSE European Fund for Southeast Europe (EFSE)

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.

Private sector energy efficiency and renewables

GGF Green for Growth Fund (GGF)

The GGF finances renewable energy projects through the provision of finance to intermediate lending institutions that on-lend to MSEs and private households.

REEP/REEP Plus 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.



WBIF PUBLIC SECTOR • Blending investments for major infrastructural projects



Rehabilitation of regional and local roads

Albania – North Macedonia power interconnection: grid section in Albania

Albania's regional and local road network face significant problems: only a small number of sections are paved and about 75-80% of the system is in a poor or very poor condition.

Significant increases in annual power load and several new generation sources added to the Albanian grid have put a strain on existing transmission systems, leading to frequent interruptions in electricity supply to consumers.

Bilateral donor, EIB and EBRD grant: €4m

EU grants: €15.4m

EBRD loan: €50m; EIB loan: €50m

KfW loan: €50m

Total investment: €138.5m

Total investment: €70m



Pogradec water supply and wastewater collection systems

Communal infrastructure works in Albanian Alps area

The WBIF supported the extension of the sewerage system in the city of Pogradec, to allow the treatment of all the wastewater produced locally and in the surrounding area.

The WBIF grant financed the development of a masterplan and feasibility study which identified key communal infrastructure investments focusing primarily on waste management, water and wastewater treatment, flood protection, and erosion control.

EU grant: €3.5m

Bilateral donor grant: €1m

KfW loan: €10m

CEB loan: €28.7m

Total investment: €13.5m

Total investment: €37.3m

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

WB EDIF Western Balkans Enterprise Development and Innovation Facility wbedif.eu

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.

- €49.2m in financing for SMEs
614 SMEs supported in Albania
1 equity investment (€1.4m)
Technical assistance and advisory to 219 SMEs

EFSE European Fund for Southeast Europe* efse.lu

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 MSEs, including farmers and agro-businesses, and to private households.

- €112.5m sub-loan investments since inception
14,318 sub-loans provided since inception
36 technical assistance projects since inception

KREDIA SME SME LOANS ZHVILLONI BIZNESIN TUAJ GROW YOUR BUSINESS

EFSE support is transforming FED Invest into a strong rural financial institution offering a broad range of financial services to the rural and peri-urban population.

GREEN FOR GROWTH FUND ggf.lu

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

Under the same structure than EFSE, the Green for Growth Fund (GGF) finances renewable energy projects. Intermediate lending institutions on-lend to micro and small enterprises (MSEs) and to private households.

- €32m sub-loan investments
73 sub-loans
11,540 MWh/yr primary energy savings
9,882 tCO2/yr emissions reduction

REEP/REEP Plus wb-reep.org Regional Energy Efficiency Programme for the Western Balkans**

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

The Regional Energy Efficiency Programme for the Western Balkans (REEP/REEP Plus) provides a combination of financing instruments, technical assistance and policy dialogue to address market barriers and stimulate longer-term market development.

- €0.4m in financing for residential sector (GEFF)
€5.2m in direct financing for private sector
Improved energy efficiency



Owners of residential buildings in Albania will be able to benefit from energy efficiency measures thanks to a €5m loan provided by the EBRD for on-lending to borrowers focusing on green investments.