

The European Commission (EC) adopted an economic and investment plan for Western Balkans worth up to 9 billion euros. This is a part of the European Green Deal, a plan to make the European Union climate neutral by 2050.

The press release from the EC states that it proposes to mobilize up to 9 billion euros of IPA III funding for the period 2021-2027 to support Western Balkans' economic convergence with the EU. The core areas for investments are sustainable transportation, clean energy, the environment and climate.

In addition, the investment capacity of the region should be boosted by mobilizing a new Western Balkans Guarantee facility 4, with the ambition to potentially raise investments of up to 20 billion euros.

The plan envisages ten areas for investments, which include renewable energy (reconstruction of HPP Fierza in Albania and construction of HPP Skavica, reconstruction of HPP Piva in Montenegro and construction of HPP Komarnica, construction of Ibar-Lepenica hydropower system in Kosovo, investments in wind and solar power in North Macedonia) and decarbonization (construction of Fier-Vlora gas pipeline in Albania, construction of gas interconnection between Croatia and BiH, North Macedonia and Kosovo, North Macedonia and Serbia and the completion of Trans-Balkan electricity corridor in Serbia).

In addition to the plan, the EC presented guidelines for implementing the Green Agenda for the Western Balkans, which, among other things, envisage swift alignment with the EU Climate Law and options for early inclusion of the Western Balkans in the EU Emissions Trading Scheme (EUETS), as well as support in the alignment with the EU *acquis* related to decarbonization in the framework of the Energy Community and the development of National Energy and Climate Plans (NECPs).