



**European Committee
of the Regions**

**Commission for
Citizenship, Governance,
Institutional and External Affairs**

EU financial assistance available to local and regional authorities in the candidate and potential candidate countries for EU enlargement

CIVEX



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It does not represent the official views of the European Committee of the Regions.

1. Introduction

This brochure gathers information on the European Union (EU) financial assistance available in the form of programmes, instruments, and other financing opportunities to local and regional authorities (LRAs) in candidate and potential candidate countries (Albania, Bosnia and Herzegovina [BiH], Former Yugoslav Republic of Macedonia, Kosovo^{*1}, Montenegro, Serbia, and Turkey). Importantly, it provides a comprehensive update on the 2014 publication on ‘The efficient use of funds for local and regional authorities under the IPA II [The Instrument for Pre-accession Assistance II] regulation’ in the context of the IPA II mid-term review.

The IPA remains the principal means by which the EU supports reforms in enlargement—candidate and potential candidate—countries. Based on lessons learned from the initial IPA (2007-2013, some actions ongoing), the IPA II instrument (2014-2020) was re-designed in partnership with the beneficiary countries. Particular attention has been placed on a strategic programming process, through which the overall allocation of EUR 11.7 billion is invested in a focused manner in country and multi-country action in the following sectors: democracy and governance; rule of law and fundamental rights; environment and climate action; transport; energy; competitiveness and innovation; education, employment, and social policies; agriculture and rural development; and cross-border and regional cooperation. IPA II is an investment in the future of both the enlargement countries and the EU.

LRAs are a strategic partner for the EU in the wider strategic programming process, alongside the central national administrations responsible for that process on the side of the beneficiary countries. LRAs are also an important group of beneficiaries for both the technical assistance (advisory and training support in building their capabilities and capacities) and direct financial support (targeted grant schemes) made available through the instrument.

This edition of the brochure provides a comprehensive guide to the multiple new possibilities of financial assistance to LRAs in the enlargement region that arose since the publication of the 2014 edition. Newly created or opened programmes for the candidate and potential candidate countries on research and innovation (Horizon2020) or economic growth (Mayors for Economic Growth) go hand in hand with the IPA II strategy to support enlargement countries in introducing political and economic reforms, through which they are prepared for European integration and eventual EU membership. At the same time, the pre-accession funds help the EU to reach its own objectives in managing sustainable development.

Financial and technical assistance is one of the most powerful tools that can be used to promote the EU’s vision of decentralised, long-term regional development among its partners. To help LRAs in the candidate and potential candidate countries navigate the available financing possibilities and to support their assessment of needs and eligibility for support within the different EU financial instruments, this

^{*} This designation is without prejudice to the positions expressed by the EU Member States on Kosovo’s status and is in line with United Nations Security Council Resolution No. 1244/1999 and the International Court of Justice Opinion of 22 July 2010 on Kosovo’s declaration of independence.

brochure divides the available assistance into regional, bilateral, and thematic programmes (see Table 1), which are covered in Sections 2-4 of the brochure. Section 5 comprises of a brief overview of the financial instruments available to LRAs by country. Additionally, technical and financial opportunities provided by the European Investment Bank (EIB) and European Bank for Reconstruction and Development (EBRD) are presented in Sections 6-7.

Table 1
Overview of EU financial instruments available to LRAs in candidate and potential candidate countries for EU enlargement

Dimension	Programme / Instrument
Regional	<ul style="list-style-type: none"> • Cross-Border Cooperation Programmes • Western Balkans Investment Framework (WBIF) • Covenant of Mayors (CoM) • Environment and Climate Regional Accession Network (ECRAN) • European Union/Council of Europe Horizontal Facility for Western Balkans and Turkey (Horizontal Facility)
Bilateral	<ul style="list-style-type: none"> • Specific country envelopes - IPA II
Thematic	<ul style="list-style-type: none"> • EU Programme for Employment and Social Innovation (EaSI) • Europe for Citizens • European Instrument for Democracy and Human Rights (EIDHR) • Instrument contributing to Stability and Peace (IcSP) • Civil Society Organisations and Local Authorities (CSO-LA) • Humanitarian Aid and Civil Protection • Creative Europe • Erasmus+ • Horizon2020 • Support for Improvement in Governance and Management (Sigma) • The Technical Assistance and Information Exchange (TAIEX)

2. Regional instruments

For the 2014-2020 period, the European Regional Development Fund (Interreg Europe) allocated EUR 27.1 billion for regional development cooperation programmes outside of the EU. Of these, EUR 11.7 billion were earmarked to 12 IPA cross-border collaboration programmes, with EUR 242 million dedicated specifically to cross-border cooperation.

Cross-Border Cooperation Programme (CBC)

European Cross-Border Cooperation (CBC), also known as Interreg A, is one of the key priorities of the IPA, supporting cooperation between bordering regions from at least two different countries and aiming to tackle mutually agreed upon common challenges in order to reinforce the regions' steady growth potential, while enhancing the cooperation process for the purposes of the overall development of the EU and the candidate and potential candidate countries. The programme is a continuation of the IPA-CBC 2007-2013 and its predecessor, the Neighbourhood Programme 2004-2006.

The geographical focus of the IPA-CBC programme is on: Bulgaria, Croatia, Greece, Hungary, Italy, and Romania on the one hand, and Albania, Bosnia and Herzegovina, Former Yugoslav Republic of Macedonia, Montenegro, Serbia, and Turkey on the other.

Each of the individual projects is managed separately. The relevant project documents and the contact details can be found in the Table 2.

Contact point:

- Managing Authority of European Territorial Cooperation Programmes
+30 2310469600 or interreg@mou.gr

Box 1 Example of a project successfully funded in a candidate country: The Former Yugoslav Republic of Macedonia

‘Bulgaria – The Former Yugoslav Republic of Macedonia’ IPA Cross-Border Co-operation Programme 2007-2013

EU contribution: EUR 12.1 million

Beneficiaries: North-East, East, and South-East regions of Former Yugoslav Republic of Macedonia

Description: The programme focused on improving the cooperation, integration, and sustainable development of the participating regions in the following areas: economic development and social cohesion, improvement of quality of life, and improvement of the efficiency of administration.

For more information see:

http://ec.europa.eu/regional_policy/en/atlas/programmes/2007-2013/crossborder/bulgaria-the-former-yugoslav-republic-of-macedonia-ipa-cross-border-co-operation-programme-2007-2013

Table 2
EU funding for respective IPA-CBC programmes

IPA-CBC programme	EU Funding	Managing Authorities / Contact points / Documents
Bulgaria/ Serbia	EUR 29 million	Ministry of Regional Development of the Republic of Bulgaria, External Borders Department Kiril and Metodiy Str., No: 17-19 1202, Sofia +359 2 9405 683 tcm_exbd@mrrb.government.bg http://www.mrrb.government.bg Programme Documents: http://ec.europa.eu/regional_policy/en/atlas/programmes/2014-2020/bulgaria/2014tc16i5cb007
Bulgaria/ Turkey	EUR 25.2 million	Ministry of Regional Development of the Republic of Bulgaria, External Borders Department Kiril and Metodiy Str., No: 17-19, 1202, Sofia +359 2 9405 683 tcm_exbd@mrrb.government.bg http://www.mrrb.government.bg Programme Documents: http://ec.europa.eu/regional_policy/en/atlas/programmes/2014-2020/bulgaria/2014tc16i5cb005

Bulgaria/ Former Yugoslav Republic of Macedonia	EUR 16.5 million	Ministry of Regional Development of the Republic of Bulgaria, External Borders Department Kiril and Metodiy Str., No: 17-19, 1202, Sofia +359 2 9405 683 tcm_exbd@mrrb.government.bg http://www.mrrb.government.bg Programme Documents: http://ec.europa.eu/regional_policy/en/atlas/programmes/ 2014-2020/bulgaria/2014tc16i5cb006
Croatia/ Serbia	EUR 34.3 million	Agency for Regional Development of the Republic of Croatia – Directorate for Managing Cooperation Programmes and Regional Development Vlaška 108 10 000 Zagreb +385 1 6447-608 info@arr.hr http://www.arr.hr Programme Documents: http://ec.europa.eu/regional_policy/en/atlas/programmes/ 2014-2020/croatia/2014tc16i5cb003
Croatia/ Bosnia and Herzegovina /Montenegro	EUR 57.2 million	Agency for Regional Development of the Republic of Croatia – Directorate for Managing Cooperation Programmes and Regional Development Vlaška 108 10 000 Zagreb +385 1 6447-608 info@arr.hr http://www.arr.hr Programme Documents: http://ec.europa.eu/regional_policy/en/atlas/programmes/ 2014-2020/croatia/2014tc16i5cb004
Greece/ Albania	EUR 46 million	Hellenic Republic Ministry of Economy and Development Leoforos Georgikis Scholis 65 GR – 57001, Thessaloniki +30 2310 469600 interreg@mou.gr http://www.interreg.gr Programme Documents: http://ec.europa.eu/regional_policy/en/atlas/programmes/ 2014-2020/greece/2014tc16i5cb010
Greece/ Former Yugoslav Republic of	EUR 38.7 million	Hellenic Republic Ministry of Economy and Development Leoforos Georgikis Scholis 65 GR – 57001, Thessaloniki +30 2310 469600

Macedonia		<p>interreg@mou.gr http://www.interreg.gr Programme Documents: http://ec.europa.eu/regional_policy/en/atlas/programmes/2014-2020/greece/2014tc16i5cb009</p>
Hungary/ Serbia	EUR 65.1 million	<p>Prime Minister's Office - Department for International Affairs Wesselényi u. 20-22 1077 Budapest +36 1 474 9269 http://www.hu-srb-ipa.com/ Programme Documents: http://ec.europa.eu/regional_policy/en/atlas/programmes/2014-2020/hungary/2014tc16i5cb001</p>
Italy/Albania /Montenegro	EUR 78.8 million	<p>Puglia Region – Department of Economic Development, Innovation, education, training and job - Director of the Managing Authority Office Via Gobetti, 26 70125 Bari area.economia@regione.puglia.it http://www.italy.albania.montenegro.eu/ Programme Documents: http://ec.europa.eu/regional_policy/en/atlas/programmes/2014-2020/italy/2014tc16i5cb008</p>
Romania/ Serbia	EUR 74.9 million	<p>Managing Authority for Romania-Republic of Serbia IPA Cross-border Cooperation Programme - Ministry of Regional development, Public Administration and European Funds Bd. Libertății, nr. 16, Latura Nord, Sector 5, București, 050706 +40.372.111.309 romania-serbia@mdrt.ro http://www.romania-serbia.net Programme Documents: http://ec.europa.eu/regional_policy/en/atlas/programmes/2014-2020/romania/2014tc16i5cb002</p>

Western Balkans Investment Framework (WBIF)

The Western Balkans Investment Framework (WBIF) supports EU enlargement and socio-economic development in Albania, Bosnia and Herzegovina, Kosovo*, Former Yugoslav Republic of Macedonia, Montenegro, and Serbia. Established in 2009, it is a joint initiative of the European Commission, the Council of Europe Development Bank (CEB), the European Bank for Reconstruction and Development (EBRD), the European Investment Bank (EIB), the World Bank Group, KfW Development Bank, and a number of bilateral donors. Through the facility, support is provided for the preparation and execution of priority investments in line with regional and national strategies, leveraging grants (from the IPA and 20 bilateral donors) and loans from participating financial institutions, with national financing (blending mechanism). Sectors covered include energy, environment, social, transport, digital infrastructure, and private sector development initiatives. The facility targets projects with region-wide and connectivity impacts. Eligible projects are identified and proposed by country beneficiaries through their National Investment Committee and Single Project Pipeline and are submitted via the National IPA Coordinators in response to specific calls for proposals.²

Contact point for assistance in preparing grant applications:

IFICO

Square de Meeûs 35, 2nd Floor

1000 Brussels, Belgium

Team Leader - Falko Sellner

info@ificoord.eu

www.wbif.eu

Covenant of Mayors (CoM)

The 2020 EU Climate and Energy Package—adopted in 2008—prompted the European Commission (EC) to endorse and support the efforts deployed by LRAs in the implementation of sustainable and energy efficiency (EE) policies by launching the Covenant of Mayors (CoM) initiative. The CoM is a unique bottom-up movement focused on reinforcing wider national efforts in carbon dioxide (CO₂) reduction which has resulted in a great number of local and regional climate change mitigation projects and green investments.

Forty-five LRAs from countries in the region under investigation (with the exception of Kosovo*) are signatories to the Covenant and efforts are under way to create a Covenant of Mayors Office (CoMO) for Southeast Europe.

Contact points:

- Covenant of Mayors Office
+32 26468424 or info@eumayors.eu
- Covenant of Mayors Office East
+38 0322553165 or info-east@eumayors.eu
- <https://www.eumayors.eu/contact/>

² See more: <https://www.wbif.eu/about-the-wbif/how-to-apply-for-a-wbif-grant->

Environment and Climate Regional Accession Network (ECRAN)

The Environment and Climate Regional Accession Network (ECRAN), managed by the EC, helps candidate countries and potential candidates to exchange their experiences and information related to the environmental and climate actions required for EU accession.³ ECRAN, established in October 2013, builds on the experiences of the Regional Environmental Reconstruction Programme for South-East Europe (REReP) and the Regional Environmental Network for Accession (RENA). ECRAN includes environmental and climate working groups, as well as a horizontal component dealing with civil society, progress monitoring, and the enforcement and implementation of the acquis.

Contact point⁴:

- Ms. Joanna Fiedler-Mórotz, Project director
joanna.fiedlermorotz@humandynamics.org

European Union/Council of Europe Horizontal Facility for Western Balkans and Turkey (Horizontal Facility)

The Horizontal Facility is a joint initiative by the European Union and Council of Europe aimed at providing technical assistance to national, local and regional authorities in the candidate countries in their work towards aligning their legislation and policies with the EU's standards. Activities are structured around three themes: i) ensuring justice; ii) fighting economic crime; and iii) fighting discrimination and protecting the rights of vulnerable groups. The programme last from May 2016 until May 2019. Its overall budget amounts to EUR 25 million (80% of the sum comes from the EU, 20% — from the CoE). Funding is available to all candidate and potential candidate countries apart from Turkey, which however can obtain legislative expertise from the CoE under the Expertise Co-ordination Mechanism. Calls for interest are available at Horizontal Facility's website: <https://pjp-eu.coe.int/en/web/horizontal-facility/calls-for-interest>.

Contact point:

- Council of Europe Office in Belgrade
+381 117155500 or Horizontal.Facility@coe.int

³ See more: http://www.ecranetwork.org/Files/ECRAN_Brochure_2016.pdf

⁴ Please note that the personal email addresses may change; to see the most actual list of contact points, please visit: <http://www.ecranetwork.org/Contact>

3. Bilateral programmes

The IPA II is an investment into the future of both the enlargement countries and the EU. Beneficiary countries are supported in introducing political and economic reforms, through which they are prepared for European integration and eventual EU membership. At the same time, these pre-accession funds help the EU to reach its own objectives in managing sustainable development.

The indicative breakdown of the overall IPA envelope by country is presented in Table 3 below.

Table 3
Overall IPA II Budget (2014-2020)

Albania	EUR 649.4 million
Bosnia and Herzegovina	EUR 167.1 million (excluding the allocation for Cross-Border Cooperation, Civil Society Facility, Regional Housing Programme, and special measures following the 2014 floods)
Former Yugoslav Republic of Macedonia	EUR 664.2 million
Kosovo*	EUR 645.5 million
Montenegro	EUR 270.5 million (excluding the allocation for Cross-Border Cooperation)
Serbia	EUR 1.5 billion
Turkey	EUR 4.5 billion (excluding the allocation for Cross-Border Cooperation)
Multi-country	The financing allocated to multi-country support includes financing for horizontal support (technical assistance and training for authorities in IPA II beneficiaries, through TAIX and twinning); regional structures and networks; regional investment support (e.g. Western Balkans Investment Framework); and territorial cooperation (cross-border) to the total of EUR 2.9 billion (including EUR 542 million in unallocated funds for Bosnia and Herzegovina).

For planning purposes, the LRAs in each country can access information on the projected activities in the multi-annual Country Strategy Papers, the proposed annual Country Action Programmes, as well as in their multi-country and sectoral counterparts. These programmes detail specific opportunities for support and financing, which are then announced in each beneficiary country or in a multi-country setting either as tenders (technical assistance projects) or calls for proposals (grant schemes). These can be found on the International Cooperation and Development

website for calls for proposals and tender announcements, which should be reviewed regularly.⁵

Further information can be sought in each beneficiary country through the National IPA Coordinators (annual programming and coordination), Central Financing and Contracting Units (tenders and calls for proposals), and within the appropriate EU integration offices and line ministries responsible for the sectors (for LRAS, the most important of these will include the ministries responsible for finance, development, economy, employment, social issues, education, transport, and environment), as well as the local EU Delegations.

Contact points⁶:

- Albania
Daniela Çekani, Director for EU Funds, Ministry for Europe and Foreign Affairs
daniela.cekani@mfa.gov.al
Gentian Xhaxhiu, Head of Unit for Territorial Cooperation, Directorate for EU Funds, Ministry for Europe and Foreign Affairs
gentian.xhaxhiu@mfa.gov.al
- Bosnia and Herzegovina
Edin Dilberovic, NIPAC, Director of the Directorate for European Integration
+387 33255044 or edin.dilberovic@dei.gov.ba
- Kosovo*
Demush Shasha, Secretary General of the Ministry of European Integration, National IPA Coordinator
+381 3820027029 or demush.shasha@ks-gov.net
- Former Yugoslav Republic of Macedonia
Arbr Ademi, National IPA Coordinator
+389 23113245 or cabinet@sep.gov.mk
- Montenegro
Aleksandar Andrija Pejović, National IPA Coordinator
+382 20225568 or aleksandar.pejovic@mfa.gov.me
- Serbia
Jadranka Joksimović, National IPA Coordinator
+381 113617580 / 593 or kabinet@eu.rs
- Turkey
Faruk Kaymakcı, National IPA Coordinator of Turkey
+90 3122181469 / 62 or faruk.kaymakci@mfa.gov.tr
Beyza Turan, Acting Director for Financial Cooperation and Aysel Çamur
bturan@ab.gov.tr; acamur@ab.gov.tr

⁵ See more: <https://webgate.ec.europa.eu/europeaid/online-services/index.cfm?ADSSChck=1527497922370&do=publi.welcome>

⁶ Please note that the personal email addresses may change; to see the most actual list of IPA Coordinators please visit: https://ec.europa.eu/neighbourhood-enlargement/instruments/national-ipa-coordinators_en

4. Thematic programmes

EU Programme for Employment and Social Innovation (EaSI)

The EU Programme for Employment and Social Innovation (EaSI) is a new pan-European programme for employment and social policy, which combines PROGRESS (Programme for Employment and Social Solidarity), EURES (European Employment Services), and PROGRESS Microfinance programmes with the goal of encouraging job mobility and supporting the vulnerable sectors of society with microfinance.⁷ EaSI, feeding into the EU's ten-year growth strategy, is complementary with the European Social Fund (ESF) and the European Globalisation Fund (EGF). Its overarching aim is to enhance job creation and facilitate sustainable growth by encouraging social innovation.

The total 2014-2020 budget of the programme is EUR 919.5 million, of which approximately 21% is to be dedicated to microfinancing and social entrepreneurship, 61% to modernising employment and social policy (PROGRESS), and 18% to promoting job mobility (EURES). LRAs in candidate and potential candidate countries are eligible for the PROGRESS and for Microfinancing and social entrepreneurship strands of funding (in line with their respective framework).

Contact point:

- Serbia, The Ministry of Labour, Employment, Veteran, and Social Issues, Nemanjina 22-26, 11000 Belgrade, +381 113616261
- Jacqueline Breidlid, European Free Trade Association (EFTA), JBR@efta.int
- EMPL-VP-2018-005@ec.europa.eu

Europe for Citizens

The programme aims at enhancing citizens' understanding and awareness of the EU, its history, values, diversity, and processes, as well as at stimulating and facilitating their democratic participation. Priorities for 2018-2020 are organised around two strands: European remembrance and Democratic engagement and civic participation.⁸ In addition to civil society projects, town twinning and the creation of networks of towns are supported under the programme. Public bodies (including LRAs) from Albania, the Former Yugoslav Republic of Macedonia, Montenegro, Serbia, and Bosnia and Herzegovina, as well as those of the EU may participate (different rules apply for each strand).⁹

Contact points:

- European remembrance: eacea-c1-remembrance@ec.europa.eu
- Democratic engagement and civic participation (town twinning and networks of towns): EACEA-C1-TT-NT@ec.europa.eu
- Operating grants: eacea-c1-operatinggrants@ec.europa.eu

⁷ See more: <http://ec.europa.eu/social/main.jsp?catId=1081>

⁸ See more: https://eacea.ec.europa.eu/europe-for-citizens_en

⁹ Ibid

Box 2 Example of a project successfully funded in a candidate country: Montenegro

EU Municipal Development Grant Scheme, Inter-Municipal Grant Scheme, and Technical Assistance

EU contribution: EUR 8.8 million

Beneficiaries: Union of Municipalities of Montenegro (UOM) and others

Description: The main goal of the project was to assist municipalities in Montenegro to switch to new operating methods in tune with EU approaches. EU grants for the development of local infrastructure have been used as a learning by doing tool for the local authorities to acquire hands-on experience with the management of EU-funded assistance. This project focused on local government units in less developed areas in the country to remedy regional imbalances and to improve the capacity of local administrations in working with the EU.

For more information see:

<http://www.delme.ec.europa.eu/code/navigate.php?ld=396>

European Instrument for Democracy and Human Rights (EIDHR)

The European Instrument for Democracy and Human Rights (EIDHR) aims at providing assistance in protecting democracy and human rights to non-state actors (NSAs) and LRAs. The budget for the current programming (2014-2020) amounts to EUR 1.3 million, an increase of approximately 21% compared to the previous budget (2007-2013). Considering the political situation in Turkey, in 2016, the country's allocation was increased to EUR 5 million. Assistance may come in the form of grants, public contracts, observation missions, or projects and programmes.

Contact point:

- To receive information about the EIDHR, contact your local EU Delegation.

Instrument contributing to Stability and Peace (IcSP)

The Instrument contributing to Stability and Peace (IcSP)¹⁰ is one of the key external assistance instruments enabling the EU to support projects in the areas of crisis response, conflict prevention, peace building, and crisis preparedness, as well as in addressing global and trans-regional threats. The main objectives of the programme are boosting the EU's crisis preparedness and capacity in conflict prevention and peace building in cooperation with other international, national, and local actors; improving its crisis response in the case of natural disasters or political conflicts; and

¹⁰ See more: http://ec.europa.eu/dgs/fpi/what-we-do/instrument_contributing_to_stability_and_peace_en.htm

capacity building to address global and trans-regional security threats, such as terrorism, climate change, piracy, and organised crime.¹¹ The IcSP budget for 2014-2020 is EUR 2.3 billion.

Even though LRAs in candidate and potential candidate countries are eligible for funding under the IcSP, no relevant projects were identified as of 30 May 2018.

Contact point:

- To receive information about the IcSP, contact your local EU Delegation.
- Contact the Service for Foreign Policy Instruments
+32 25841111 or contact form
http://ec.europa.eu/dgs/fpi/about/contact_us_en.htm

Box 3 Example of a project successfully funded in a candidate country: Albania

Foster Local Outcasts Without Stigmatisation (FLOWS)

EU contribution: EUR 25,000

Beneficiaries: Municipality of Shijak and others

Description: This town twinning project aims at exchanging best practices on shelter and social exclusion, counteracting the stigmatisation of others, promoting volunteering and civic participation, as well as strengthening intercultural dialogue.

For more information see: <https://bit.ly/2J34GR6>

Civil Society Organisations and Local Authorities (CSO-LA)

The Civil Society Organisations and Local Authorities (CSO-LA)¹² programme is open to civil society and local authorities in all countries, going beyond the identified partner countries in the geographic instrument of the Development Cooperation Instrument (DCI). Its main objective is to reinforce LRAs in their role as creators of local public spaces, sustainable growth, and public services. Ultimately, it is to pilot, develop, and implement initiatives fostering citizen's awareness of the role of LRAs. The budget of EUR 1.907 billion is planned to be divided for the programme priorities as follows:

- Focusing on country-level CSO-LA developments—approximately 70% allocation;
 - Supporting CSO and LRA networks globally—approximately 15% allocation;
 - Education and awareness initiatives—approximately 10% allocation; and
 - Supporting measures—approximately 5% allocation.
- As there is no cap on the country envelopes, distribution depends on the needs of the country at stake.

¹¹ See more: https://ec.europa.eu/europeaid/funding/funding-instruments-programming/funding-instruments/instrument-contributing-stability-and_en

¹² See more: https://ec.europa.eu/europeaid/tags/civil-society-organisations-and-local-authorities-cso-la_en

Contact point:

- +32 22991111 or EuropeAid-NSA-LA@ec.europa.eu

Box 4 Example of a project successfully funded in a candidate country: Former Yugoslav Republic of Macedonia

EPICURO – European Partnership for Urban Resilience

EU contribution: EUR 663,812

Beneficiaries: City of Skopje and others

Description: The main aim of the project is fostering international cooperation and enhancement of knowledge in the field of technology solutions available to local communities, which can be of help to LRAs in monitoring and managing natural disasters, mitigating side effects, and increasing the resilience of their communities.

For more information see: <http://www.epicurocp.eu/partners/>

Civil Protection and Humanitarian Aid

Under this programme, the EU provides impartial, neutral, and independent humanitarian aid and civil protection to countries struggling with disaster and humanitarian emergencies.¹³ Assistance has been provided to Serbia and Former Yugoslav Republic of Macedonia to help them respond to refugees' needs. Moreover, in November 2015 the 'Refugee Facility for Turkey' was established. Until the end of 2017, 72 projects worth EUR 3 billion were contracted under the programme in order to provide humanitarian aid and to support development projects for refugees residing in Turkey.

Contact point:

- https://ec.europa.eu/echo/contact_en

¹³ See more: https://ec.europa.eu/echo/who/about-echo_en

Creative Europe (2014-2020)

Creative Europe supports cross-border exchange and cooperation in (creative) arts. In order to apply for funding opportunities such as European Networks, Cooperation Projects, and European Platforms as part of the Culture sub-programme, the applicant is required to work with partners from other participating countries. LRAs from candidate and potential candidate countries¹⁴ can participate in all parts of the programme except the Guarantee Facility under the cross-sectoral strand.

Contact points¹⁵:

- Albania, Mrs. Arlinda (Kondi) Toci
+355692020506 or arlinda.kondi@kultura.gov.al
- Bosnia and Herzegovina, Ms. Aida Kalender
+387 66799066 or aida.kalender@kreativnaevropa.ba
- Former Yugoslav Republic of Macedonia, Ms. Biljana Prentoska
+ 389 23207446
- Kosovo*, Mr. Valon Ibraj
+377 45385845 or valon.ibraj@rks-gov.net
- Montenegro, Ms. Milena Raznatovic
+382 41232583 or milena.raznatovic@mku.gov.me
- Serbia, Mr. Dimitrije Tadic
+381 113398026 or dimitrije.tadic@kultura.gov.rs

Box 5 Example of a project successfully funded in a candidate country: Former Yugoslav Republic of Macedonia

CreArt –Network of European Cities for Artistic Creation (2nd edition)

EU contribution: EUR 663,812

Beneficiaries: City of Skopje and others

Description: CreArt is a network of cities and public and private cultural institutions working together to maximise the contribution of visual arts to society by supporting artists, the general creative industry, and the public.

For more information see: <https://creart2-eu.org/who-we-are/>

¹⁴ Turkey exited the Creative Europe programme in 2016.

¹⁵ Note that the personal email addresses may change; to see the most actual list of country contact points please visit: https://ec.europa.eu/programmes/creative-europe/contact/creative-europe-desks_en

Erasmus+: Youth in Action

The Erasmus+ programme is the EU's largest programme supporting activities in the fields of education, training, youth and sport, and boasts a budget of EUR 14.7 billion (a 40% budget increase). For the pre-accession countries, the programme serves as a tool to strengthen cooperation between Erasmus+ programme countries and Western Balkan countries through youth exchanges, European Voluntary Service, training, and networking.¹⁶ Turkey and Former Yugoslav Republic of Macedonia are programme countries, and Albania, Bosnia and Herzegovina, Kosovo*, Montenegro, and Serbia are partner countries. For the latter group, the 'Western Balkans Window'¹⁷ was established in 2015 with a budget of EUR 3 million. As a result, in 2016, budget consumption in the Western Balkans after the first round increased by 16% compared to 2015 and the number of applications from the region also increased by 64% over this period. Entities from the region can also participate in the programme as partners in projects granted in the Erasmus+ programme countries.

Contact points:

- Albania, Ms. Aida Berxholi
+355 42256508 or albania@erasmusplus.al
- Bosnia and Herzegovina, Mr. Suad Muhibic
+387 33570260 or office@erasmusbih.com
- Former Yugoslav Republic of Macedonia
+389 23109045 or info@na.org.mk
- Kosovo*, Erasmus+ Office
+ 381 (0) 38 609 884 or http://erasmusplusKosovo*.org/
- Montenegro, Ms. Vanja Drljevic
+382 20223087 or erasmusplus@ac.me
- Serbia, Ms. Marija Filipovic Ozegovic
+381 113342430 or neo_serbia@erasmusplus.rs
- Turkey
+90 3124096000 or bilgi@ua.gov.tr

Box 6 Example of a project successfully funded in a candidate country: Turkey

Designing Dialogue

EU contribution: EUR 19,000

Beneficiaries: Karsiyaka Belediyesi and others

Description: The main aim of the project was to facilitate dialogue between young people, policy makers, and experts in public policy on local, regional, and national levels.

For more information see:

<http://ec.europa.eu/programmes/erasmus-plus/projects/eplus-project-details/#project/ca78df95-c638-4408-a006-c687b1158d0d>

¹⁶ See more: http://erasmusplus.rs/wp-content/uploads/2016/11/Podrska_SALTO.pdf

¹⁷ Albania, Bosnia and Herzegovina, Kosovo*, Montenegro and Serbia.

Horizon2020 (2014-2020)

Horizon2020 (H2020) is the EU's largest research and innovation programme to-date, with nearly EUR 80 billion of funding available over seven years between 2014 and 2020. Additionally, this money will attract in the private investments across the continent. Such a financial boost promises more breakthroughs, discoveries, and world-firsts by implementing academic and lab ideas to the market.¹⁸

The integration of national research and innovation frameworks of the candidate and potential candidate countries, facilitated and enhanced by participation in H2020, is believed to be a necessary step towards joining the EU. As of June 2018, close to 30 projects have been won by consortia including LRAs from the countries of interest.

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Box 7 Example of a project successfully funded in a candidate country: Serbia

WeLive

EU contribution: EUR 3 million

Beneficiaries: City of Novi Sad and others

Description: The project empowers citizens and business to help to bridge the gap between the adoption of open government services and innovation by enhancing their active participation in selected public services in the form of mobile apps.

For more information see: <https://www.welive.eu>

¹⁸ See more: <https://ec.europa.eu/programmes/horizon2020/en/what-horizon-2020>

¹⁹ Note that the personal email addresses may change; to see the most actual list of country contact points please visit: http://ec.europa.eu/research/participants/portal/desktop/en/support/national_contact_points.html

SIGMA

The Support for Improvement in Governance and Management (SIGMA) is a joint initiative of the EU and the Organisation for Economic Cooperation and Development (OECD), principally financed by the EU. SIGMA was initiated in 1992 and since then it has accumulated 25+ years of experience advising countries in transition on various public policy reforms and developed long-term relationships with several in-country partners. SIGMA relies on experts from EU national public administrations and provides practitioner-to-practitioner support within projects of great flexibility in terms of design and implementation. It also supports and oftentimes complements other EU institution building instruments.²⁰ The budget for SIGMA in the countries of interest amounts to EUR 18.3 million for 2014-2020.²¹ While LRAs from candidate and potential candidate countries are eligible to apply for or take part in SIGMA-organised events, no single recent project with their participation has been identified.²²

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TAIEX

TAIEX is the Technical Assistance and Information Exchange instrument of the European Commission. It is a demand driven-tool supporting the approximation, application, and enforcement of EU legislation as well as facilitating the sharing of EU know-how and best practices. Since 1996, TAIEX shares the expertise of EU Member State public officials with beneficiary countries to fill the knowledge gap and deliver appropriate tailor-made expertise to address issues in beneficiary countries at short notice via workshops, expert missions, and study visits.²⁴

Contact points:

- TAIEX Group NEAR-Taix@ec.europa.eu

²⁰ See more: <http://www.sigmaweb.org>

²¹ See more: https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/pdf/financial_assistance/ipa/2014/multi-country/ipa_ii_2014_031-603.02_mc_sigma.pdf

²² See more: <http://www.sigmaweb.org/countries/>

²³ Note that the personal email addresses may change; to see the most actual list of country contact points please visit: <http://www.sigmaweb.org/contactus/>

²⁴ See more: <http://taix.ec.europa.eu>

5. Overview of financial instruments available to LRAs by country

Table 4:

Overview of financial instruments available to LRAs open to all countries:

Regional: <ul style="list-style-type: none">• Environment and Climate Regional Accession Network (ECRAN)
Bilateral: <ul style="list-style-type: none">• IPA II country envelopes
Thematic: <ul style="list-style-type: none">• EU Programme for Employment and Social Innovation (EaSI)• European Instrument for Democracy and Human Rights (EIDHR)• Instrument contributing to Stability and Peace (IcSP)• Civil Society Organisations and Local Authorities (CSO-LA)• Humanitarian Aid and Civil Protection• Erasmus+• Horizon2020• Sigma• TAIEX

Table 5:
Overview of financial instruments available to LRAs to selected countries:

Program:	Open to countries:
Cross-Border Cooperation Programmes	<ul style="list-style-type: none"> • Albania, • Bosnia and Herzegovina • Former Yugoslav Republic of Macedonia • Montenegro • Serbia • Turkey
Western Balkans Investment Framework (WBIF)	<ul style="list-style-type: none"> • Albania • Bosnia and Herzegovina • Kosovo* • Former Yugoslav Republic of Macedonia • Montenegro • Serbia
European Union/Council of Europe Horizontal Facility for Western Balkans and Turkey (Horizontal Facility)	<ul style="list-style-type: none"> • Albania • Bosnia and Herzegovina • Kosovo* • Former Yugoslav Republic of Macedonia • Montenegro • Serbia
Covenant of Mayors (CoM)	<ul style="list-style-type: none"> • Albania • Bosnia and Herzegovina • Former Yugoslav Republic of Macedonia • Montenegro • Serbia • Turkey
Europe for Citizens	<ul style="list-style-type: none"> • Albania • Bosnia and Herzegovina • Kosovo* • Former Yugoslav Republic of Macedonia • Montenegro • Serbia
Creative Europe	<ul style="list-style-type: none"> • Albania • Bosnia and Herzegovina • Kosovo* • Former Yugoslav Republic of Macedonia • Montenegro • Serbia

6. European Investment Bank

Institutional overview

The EIB is the Bank of the EU and its shareholders are the 28 EU Member States. Founded in 1958 under the Treaty of Rome, the EIB is a natural financing partner for EU institutions and operates both in the EU and in more than 160 other countries. Thanks to financial autonomy, steadily growing subscribed capital, and its AAA credit rating, the EIB can borrow at the best possible rates. The benefits of this funding situation are passed on to project promoters through competitive lending terms with long loan tenors which are adapted to the long-term investment projects supported by the EIB.

The EIB has a long history of operating outside the EU, with operations in partner countries since 1963. Through these operations, the EIB's objective is to support the EU's external policy by providing clients with:

- Lending and other forms of financing;
- Access to blending mechanisms; and
- Advisory services, including technical assistance.

In 2017, the EIB signed loans amounting to EUR 69.9 billion to support investment across Europe and around the world, also in the enlargement countries. In the Western Balkans,²⁵ since 2007 it has provided EUR 7 billion in financing for socio-economic development, making it one of its biggest public financiers; in 2017 alone, the deals signed in the region amounted to EUR 330 million.²⁶ On top of that were loans to Turkey, worth EUR 506.8 million in 2017 (EUR 28.6 billion since 2000).²⁷

In order to bring financing opportunities closer to LRAs and small and medium-sized enterprises (SMEs), alongside the EIB's headquarters in Luxembourg, the EIB created a Regional Office for the Western Balkans which allows it to offer better support to its clients throughout all project stages (see contact details at the end of this section).²⁸

²⁵ Albania, Bosnia and Herzegovina, Kosovo*, Former Yugoslav Republic of Macedonia, Montenegro, and Serbia.

²⁶ See more: http://www.eib.org/attachments/country/the_eib_in_the_western_balkans_en.pdf

²⁷ See more: <http://www.eib.org/projects/regions/enlargement/turkey/index.htm>

²⁸ Ibid.

Policy context and objectives

The EIB focuses on four areas: innovation, small businesses, climate, and infrastructure. At the same time, the combined expertise of in-house and seconded financial analysts, economists, climate specialists, and engineers ensures the success of the EIB's projects.²⁹ The situation is no different for projects outside the EU, where the EIB operates mainly under the External Lending Mandate (ELM), given by the EU, and supports projects that contribute to economic development in countries that have signed various bilateral agreements with the EU. The new ELM for 2014-2020, as well as a number of additional facilities at the EIB's own risk—targeting in particular private sector investment and climate action—started in July 2014.

Since 2009, the EIB has been also partnering with the EC, the European Bank for Reconstruction and Development (EBRD), and the Council of Europe Development Bank (CEB) under the Western Balkans Investment Framework (WBIF),³⁰ 'to enhance harmonisation and co-operation in investments for socio-economic development in the region'.³¹

Moreover, in late 2016, the EIB launched the Economic Resilience Initiative (ERI) aimed at supporting economic growth and sustainable development and vital infrastructures both in the Western Balkans and in the Southern Neighbourhood. Currently, three projects are being conducted in the region under review: a EUR 80 million waste management system upgrade in Belgrade, a EUR 29.5 million infrastructure maintenance project in Albania, and a EUR 220 million line of financing for SMEs from the key economic sectors in Montenegro. The launch of the ERI increased the projected EIB financing of EUR 7.5 billion in the two regions by an additional EUR 6 billion over the 2016-2020 period.³²

Results measurement

EIB project requirements focus on three pillars: eligibility that is consistent with EU priorities; technical quality and economic soundness; and financial viability and adequate security. The project and therefore its assessment need to comply with procurement and environmental protection regulations. The EIB uses the Results Measurement (ReM) Framework for its outside-EU projects to ensure these standards. The measurements have also been further harmonised with those of other financial institutions and development agencies in order to simplify the reporting process in case of blending projects and other co-financed operations.

²⁹ See more: http://www.eib.org/attachments/general/the_eib_at_a_glance_en.pdf

³⁰ See more: <https://www.wbif.eu/about-the-wbif>

³¹ See more: http://www.eib.org/attachments/country/the_eib_in_the_western_balkans_en.pdf

³² See more: http://www.eib.org/attachments/country/eib_rem_annual_report_2016_en.pdf

Financial instruments

Lending

Lending is by far the EIB's principal activity, consisting of 90% of its total financial commitment. At the same time, the EIB stays committed to financially supporting investment projects presented by other partners, private and public promoters, including LRAs. This is reflected in loans that might be individual, multi-sector, and multi-component. The EIB also provides guarantees (trade financing) and equity participation (investment funds) to meet all the client's and partner's expectations.

For investments in the public sector, lending is possible to:

- The state;
- A regional or local authority; and
- A public enterprise or institution.

Loans can be made either directly to the relevant authority, or indirectly as a credit line which the EIB channels to LRAs for infrastructure investment, for instance in partnership with a national ministry or a local intermediary financial institution.

All loans must reflect the EU and EIB's priorities. This is why 31% of signatures in 2017 supported climate action-related projects. The main contributors to this performance were operations in clean urban public transport and energy efficiency, with the remainder coming from credit lines. For instance, most recently, in April 2018, the EIB signed two loans in Bosnia and Herzegovina, providing EUR 150 million for the construction of pan-European motorway (specifically, the Corridor VC to the south of the city of Mostar and sections of the motorway in Zenica North).³³ The same month, a loan worth EUR 45 million was also signed with Serbia and Montenegro to upgrade their traffic control systems.³⁴

Advising: European Local Energy Assistance (ELENA)

The European Local Energy Assistance (ELENA) is a joint initiative of the EC and the EIB under the H2020 programme. Its main aim is to provide technical assistance in the form of grants for activities focused around energy efficiency, distributed renewable energy, and urban transport. Funding is available for projects costing more than EUR 30 million (smaller on a case-by-case basis, if integrated into larger ones), and up to 90% of eligible costs can be covered under the scheme. The implementation period of the project must not exceed three years for EE projects and four years for urban transport and mobility. Support is available to LRAs (and other public and private entities such as transport authorities or social housing operators) in EU Member States as well as Albania, Armenia, Bosnia and Herzegovina, Georgia, Iceland, Israel, the former Yugoslav Republic of Macedonia, Moldova, Norway, Serbia, Switzerland, and Turkey.

No projects funded under ELENA have been conducted by LRAs in the countries under investigation as of 30 May 2018.

³³ See more: <http://www.eib.org/infocentre/press/releases/all/2018/2018-110-eib-provides-eur-150m-for-pan-european-motorway-through-bosnia-and-herzegovina.htm>

³⁴ See more <http://www.eib.org/infocentre/press/releases/all/2018/2018-107-eib-steps-up-support-for-western-balkans-in-eu-accession-process.htm>

Advising: Joint Assistance to Support Projects in European Regions (JASPERS)

Joint Assistance to Support Projects in European Regions (JASPERS) is a technical assistance partnership and a joint initiative of the EC and EIB under the EU Cohesion Policy, in operation since 2005. Under this scheme, technical assistance is available for large-scale projects at any stage of their cycle in the sectors of roads, air, maritime, public transport, water solid waste, smart development, and energy. In order to be eligible, the total cost of the project must be over EUR 50 million for environmental projects or EUR 75 million for other sectors (smaller projects, e.g. in smaller countries, can be supported on a case-by-case basis). As of the end of 2017, 652 projects received assistance worth over EUR 104 billion (EUR 60 billion in grants) under JASPERS.³⁵

Support is available to LRAs in selected EU Member States and four accession countries: the Former Yugoslav Republic of Macedonia, Montenegro, Serbia, and Turkey. Depending on funds available and demand, JASPERS may also be available in Albania, Bosnia and Herzegovina, and Kosovo*.³⁶

Some project examples

Forest rehabilitation, afforestation, and erosion control in Turkey³⁷

In 2016, Turkey received a EUR 120 million loan to support forest rehabilitation, afforestation, and erosion control in the country. Activities funded under the loan are to mitigate the effects of climate change and contribute to better natural resources management in the country. Indirectly, the project is expected to create positive spill-overs to the local rural economies. It is a follow-up to similar projects conducted in Turkey in 2011 and 2013.

Construction of Route 6, Kijeve to Peja, in Kosovo³⁸

Under the project, a 30 kilometre section of a two-lane motorway is to be constructed between Pristina and Kosovo*'s fourth largest city, Peja by 2021. The project aims at improving the comfort, speed, and safety of travel between the two cities, contributing to the economic development of Kosovo*, where 95% of the transportation of goods and people takes place on the road. The EIB contributed EUR 80 million in loans, which supplemented EUR 3.2 million in Western Balkans Investment Framework grants.

Contact points:

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- Lending: lists of local intermediaries per country:
<http://www.eib.org/en/products/lending/intermediated/list/index.htm>
- Regional Office for the Western Balkans: +381 113121756 or B.BELGRADEOFFICE@eib.org

³⁵ See more: <http://www.eib.org/products/advising/jaspers/index.htm>

³⁶ See more: <http://www.eib.org/products/advising/jaspers/index.htm>

³⁷ See more: <http://www.eib.org/infocentre/press/releases/all/2016/2016-011-eur-320-million-new-eib-finance-for-climate-action-and-knowledge-economy-investments-in-turkey.htm>

³⁸ See more: http://www.eib.org/attachments/country/the_eib_in_the_western_balkans_en.pdf

7. European Bank for Reconstruction and Development

The European Bank for Reconstruction and Development (EBRD) was established to help build a new, post-Cold War era in Central and Eastern Europe. It has since played a historic role and gained unique expertise in fostering change in the region. The EBRD is committed to furthering progress towards 'market- oriented economies and the promotion of private and entrepreneurial initiative'. This has been its guiding principle since its creation at the beginning of the 1990s. The EBRD is active in almost 40 economies, operating largely through financial investments, business services, and involvement in high-level policy reforms. Financial products include loans (direct or through financial intermediaries), equity investments, and guarantees to promote trade.

The EBRD operates in a whole range of industries, infrastructure, and transport. Within the varied portfolio of the EBRD's products and services, LRAs in candidate and potential candidate countries for EU enlargement are a key partner for the EBRD's Municipal and Environment Infrastructure Sector. In this sector, the EBRD typically leverages loan financing and, in cooperation with international donors, grants (technical cooperation grant funds and investment grants). It targets projects supporting the improvement of municipal services in water, waste water, public transport, urban roads and lighting, solid waste management, district heating, and energy efficiency. The projects involve strategically driven solutions and objectives for decentralisation, commercialisation, and environment improvement.

Under the Small Business Initiative, the EBRD helps small and medium-sized businesses gain access to business advice. As SME development impacts highly on local and regional economies, LRAs are an important stakeholder for many of these actions, but not a direct beneficiary.

The EBRD manages the EU-funded programme 'Regional Energy Efficiency Programme (REEP) for the Western Balkans', which includes a component through which the EBRD provides support to public authorities in preparing ESCO energy efficiency projects (for example involving new solutions for street and other public lighting).

The Western Balkans Sustainable Energy Direct Financing Facility has an allocation of EUR 50 million in loan funds and operates in Albania, Bosnia and Herzegovina, Croatia (EU Member State), Former Yugoslav Republic of Macedonia, Montenegro, Serbia, and Kosovo*. It is open to local SMEs and project developers including LRAs, supporting medium-sized energy efficiency, renewable energy, and ESCO (Energy Service Company) projects in the public sector through direct loans (between EUR 1-6 million per project), free of charge technical consultancy, and incentive payments. Separate schemes have been established for small- and large-scale projects.

<http://www.wb-reep.org/eng/financing/WebSEDFE>

Examples of projects in partner countries

Early stage support in Belgrade³⁹

The city of Belgrade signed a contract with the EBRD for the provision of consulting services, which resulted in the development of a study to determine the technical and economic parameters of the city's ESCO project for public lighting savings. Belgrade accounts for around 40% of the total energy consumption in Serbia, while it produces around 50% of its total energy. Together with a number of other initiatives, including the construction of the heating transmission pipeline to transport hot water from the power plant in the nearby municipality of Obrenovac to Belgrade, the city's energy efficiency fund, construction of a wastewater treatment plant, and resolving the issue of the landfill in Vinča, this constitutes an emerging programme for implementing the local government's commitment to the development of renewable energy, energy efficiency, environmental protection projects, and climate change mitigation and adaptation initiatives and measures.

Water system for Tirana⁴⁰

The water quality project in Tirana aims to assist Ujesjelles Kanalizime Tirana (UKT), the city's water and wastewater utility company, in providing a more resilient water system, reaching its objective of providing a 24-hour water supply by 2021, and at the same time reducing the company's operational costs by supplying water by gravity versus the high cost of pumping groundwater.

The EBRD's loan of up to EUR 30 million will be provided in two tranches. The first tranche of up to EUR 15 million is to be committed upon signing and the second tranche of up to EUR 15 million would remain uncommitted. The proceeds of the first tranche will be used for the extension of the capacity of the Bovilla Water Treatment Plant and the construction of a new water pipeline that will transfer water from Bovilla Water Treatment Plant to the north western part of the City of Tirana by gravity.

The proceeds of the second tranche will be determined at a later stage once the study on UKT's Strategic Water Resources is completed. The study will determine the most cost-efficient and economically viable investment to further address Tirana's water shortage, assessing both demand-side and supply-side strategic options. Supply-side options could include exploiting new water sources, such as the Guri I Bardhe, while demand-side options could include rehabilitating Tirana's water network and installing strategic flow/pressure meters, or a mix of solutions. The project is a sub-project under the Green Cities Framework.

³⁹ See more: <https://balkangreenenergynews.com/major-sustainable-energy-and-environmental-projects-of-serbias-capital-announced>

⁴⁰ See more: <http://www.ebrd.com/work-with-us/projects/psd/grcf-ukt-tirana-water-company.html>

Banja Luka district heating improvements⁴¹

The EBRD has provided a loan for Banja Luka city, which is the economic, financial, political, and administrative centre of the Republika Sprska, one of the two political entities that make up Bosnia and Herzegovina. The city has a population of close to 200,000 people.

The unsecured loan to the city of EUR 8.347 million will be used to finance the city's equity stake in a newly created district heating company and the initial purchase of biomass. The company Eko Toplane is a new majority privately-owned district heating company that will build, own, and operate a 49 MW biomass boiler plant for district heating in Banja Luka. It will also operate the existing district heating network and two smaller biomass boiler plants owned by the city. The company is 51% owned by IEE Banja Luka, a private sector sponsor, and the city holds the remaining shares. The total estimated project cost is EUR 18.568 million, including capital expenditures of EUR 16.4 million (a new biomass boiler plant and connection to the existing district heating network), working capital of EUR 1.8 million (initial purchase of wood biomass), and EUR 0.3 million for technical cooperation (preparation of the Green City Action Plan).

The project will help to achieve the goals of: the conversion from expensive and polluting heavy fuel oil to a cheaper and less polluting locally available wood biomass; the introduction of private sector expertise and efficiency in district heating services; and the commercialisation of financial operations through the application of cost recovery tariffs.

Other recent examples of EBRD Municipal and Environment Infrastructure projects under signing, development, and/or review

- BiH: a EUR 25 million EBRD loan to Bosnia and Herzegovina for on-lending to cantonal public utility company in water and waste water for improvement of water supply project.
<http://www.ebrd.com/work-with-us/projects/psd/grcf-sarajevo-water.html>
- Serbia: up to EUR 90 million EBRD debt financing for a company established to operate and finance the Belgrade Solid Waste PPP (public-private partnership) project.
<http://www.ebrd.com/work-with-us/projects/psd/belgrade-solid-waste-ppp.html>
- Turkey: a EUR 70 million EBRD loan to Izmir Metropolitan Municipality for a municipal transport (metro) project.
<http://www.ebrd.com/work-with-us/projects/psd/izmir-metro-project-ii.html>

⁴¹ See more: <http://www.ebrd.com/work-with-us/projects/psd/grcf-banja-luka-district-heating.html>

List of abbreviations

BiH	Bosnia and Herzegovina
CBC	Cross-Border Cooperation
CEB	Council of Europe Development Bank
CO ₂	Carbon Dioxide
CoE	Council of Europe
CoM	Covenant of Mayors
CoMO	Covenant of Mayors Office
CSO-LA	Civil Society Organisations and Local Authorities Programme
DCI	Development Cooperation Instrument
EaSI	EU Programme for Employment and Social Innovation
EBRD	European Bank for Reconstruction and Development
EC	European Commission
ECRAN	Environment and Climate Regional Accession Network
EE	Energy Efficient
EFTA	European Free Trade Association
EGF	European Globalisation Fund
EIB	European Investment Bank
EIDHR	European Instrument for Democracy and Human Rights
ELENA	European Local Energy Assistance
ELM	External Lending Mandate
EPICURO	European Partnership for Urban Resilience
ERI	Economic Resilience Initiative
EU	European Union
EURES	European Employment Services
EUSAIR	EU Strategy for the Adriatic and Ionian Region
ESCO	Energy Service Company
ESF	European Social Fund
FLAWS	Foster Local Outcasts Without Stigmatisation
H2020	Horizon 2020
IcSP	Instrument contributing to Stability and Peace
IPA	The Instrument for Pre-accession Assistance
JASPERS	Joint Assistance to Support Projects in European Regions
LRAs	Local and Regional Authorities
NIPAC	National IPA Coordinator
NSAs	Non-State Actors
OECD	Organisation for Economic Cooperation and Development
PPP	Public–Private Partnership

PROGRESS	Programme for Employment and Social Solidarity
ReM	Results Measurement
RENA	Regional Environmental Network for Accession
REReP	Regional Environmental Reconstruction Programme for South-East Europe
SIGMA	Support for Improvement in Governance and Management
SMEs	Small and Medium Sized Enterprises
TAIEX	Technical Assistance and Information Exchange
UKT	Ujesjelles Kanalizime Tirana
UOM	Union of Municipalities of Montenegro
WBIF	Western Balkans Investment Framework

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**European Committee
of the Regions**

Created in 1994 following the signing of the Maastricht Treaty,
the European Committee of the Regions is the EU's assembly of 350 regional and
local representatives from all 28 Member States, representing over 507 million Europeans.

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