

Ladies and Gentlemen, I would like first of all to thank KEPP and Mr. Papantoniou. The Institute Of International Economic Relations and especially Mr. Tsardanidis, EKEM and Mr. Tsomokos, for the honor to invite me in this conference.

It is also a good opportunity for me to meet some old friends from Serbia.

The issue of the panel today is the infrastructure works in Western Balkans. You listened to the previous speaker, Mr. Peric, who presented the plans of Serbia for the transport's part.

This morning, the Vice-President of the European Invests Bank, Mr. Sakelaris, referred to the investment's framework of the Western Balkans, the Western Balkans Investment Framework.

I want to present to you this exact framework. What it is, how it works and what interest it could present for Greek and the Greek businesses.

For practical reasons I will make my presentation in English. After the end of the conference I will be available for you so I can give you some more information.

So, I will present the Western Balkans Investment Framework.

So, I remember, a couple of years ago I was attending a conference and it was about environment. And there were three speakers.

The first speaker was from the European Commission and he mentioned that all candidate countries and potential candidate countries, when they build new environmental infrastructure it should follow the European Union standards and abide by the European Union directives, which of course is very costly.

The second speaker presented budgetary constraints of the various governments and sponsors.

And the third speaker, who was from the World Bank, explained the physical space, a limited physical space and limited capacity of governments and municipalities to borrow.

So, how to solve this problem? The answer is the Western Balkans Investment Framework, we hope.

So, during the last year or so, the European Commission, the European Bank for Reconstruction and Development and the European Investment Bank worked together to prepare a framework for cooperation in order to put together the resources of the donors, who have grant money, and the banks who have loans, in order to produce unique financial packages to finance the big infrastructure projects in the Balkans.

So, the objectives are to maximize the leverage of the grants and donations. Also to maximize coherence, synergy, efficiency and the visibility in the investments, to support of the investments, because you have to prioritize and obviously not everything can be done at the same time, so you need to put together the major players and see which projects are priority and how can they be financed.

Then, of course, the result is support of the development of grater infrastructure in the region.

So, who can participate?

Obviously the western Balkans, as the geographical coverage. All sectors contribute into social, economic and environmental development. And the eligible beneficiary entities can be either the private sector or the public sector.

Eligible cost of the individual organization that participate to the scheme. The EIB, the EBRD or the European Commission.

The type of grant, it can be for technical assistance for projects' preparation, or co-financing of actual projects, constructions. Or, also, incentives, interstates subsidies and insurance premium.

So, what exactly is the Western Balkans Investment Framework? There are two components. One component are grants, and one component are loans.

At this moment we are at the very beginning of the scheme. We have already invested 110 million euros for grants. The banks, the partner banks, which are the European Investment Bank, and the Council of Europe Development Bank, have already pledged 30 million.

Then the EBRD have created a joint fund where other donors, countries in the European Union and out of the European Union, Canada has expressed interest, can invest.

And all these, at this very moment, make something like, I don't know, 160 million, something like that. But the idea is that this has to increase in the future.

And then, of course, are backed by loans. And the IFC have committed already 2 billion in loans, which makes investment of the order of 4 billion.

Who are the key players? Of course the beneficiaries, because we talk now, and we have talked, I mean from the perspective of the investors, of the IFC and of the European Commission, but all these projects that we are talking are projects of priorities of the countries they presented to us for financing.

The other players are the European Commission, the International Financing Institution, the EIB, the EBRD, the CEB. But also can come in European Union member states, other donors, and other financial institutions, like bilateral financial institutions, like the KFW of Germany.

Now here I will try a little bit to explain. You have the two sides, the grants and the loans.

So, on the side of the grants, for example, we have already a project, which is called Infrastructure Project Facility, where we provide technical assistance for 32 million to prepare bankable projects.

So, there the idea is only to assist in projects to bring them into a situation where they can be presented to banks for financing.

Also, we have invested already money for co-financing of municipal investments. Then you have the money of the Western Balkans joint fund, which I mentioned, and the other grants.

And on the other side the loans.

It works like that. The beneficiaries or the promoters are presenting to a project financiers group, which is a technical group, which does the project certification, programming and screening of all the big infrastructure projects that are presented, with the idea of having a common pipeline.

Then, this, lets say a technical group, proposes to a steering committee projects in the region that are priority for financing. And prepares single financial packages, that is also the advantage. Some grants, some loans, which projects are the most important and those who are priority for financing. And then it goes to implementation.

It is important to see that the steering committee is giving strategic orientation, approves the operation and does supervision of the action.

So, for Greece, for example, it is very interesting. First of all Greece can participate as a full member at the steering committee, but also in case of co-financing it can participate in the project financiers group.

We have the case of the corridor 10 that it was presented before, it is a project that will be presented in the Western Balkans Investment Framework, you see it. Greece is co-financing by 100 million euro and they can be fully associated and participated in the project financiers group, which is assessing and screening and technically assessing the projects.

So, here it is. We are sitting in the project financiers group, the European Commission, the partner IFC, other bilateral financial institutions, which Greece could take part. And they are doing projectification, programming, screening and assessment.

What is interesting there is that the banks are sitting together and working together in order to have a common single pipeline of big investment projects.

The steering committee is where the decision is taken, and where the strategic rotations are given. And there you have many players, you have many actors.

There is regional cooperation council, it represents the states of the region. You have the beneficiaries, but you can have also other observers. We intend to call the World Bank to participate, for example, for the time being as an observer.

I am going to say a few words on the sectors. Environments, water supplies, waste water treatments, solar mismanagement, emission control and so on, energy, renewable energy, the connection fuel transmission and so on.

In transports, roads, railways, airports. And the social sector, schools, hospitals, health centers, but also prisons, which are important for the human rights in the accession process of the countries of the region.

But we intend to expand it to energy efficiency, SMEs and private sector development. And indeed to other sectors, that could contribute to the economic development in the region.

Of course there are sector strategies. So, I put down a few.

Projects in environment for example, they have to be part of the national sector strategies, they have to be in line with the environmental European Union... And they have to be included in regional pipelines that are already underway.

The same way in energy, they have to be in line with the guidelines for the trans-european networks that we have talked before. And also there is Southeast Europe Energy Community, which is preparing priority projects and so on and so forth.

In transports there is a southeast Europe transport observatory, which is based in Belgrade, and they have prepare a co-regional transport network.

There is also priority to railways, inland, water waste, in order to fight against the climate change. And of course regional corridors.

Well, this is a complicated slide, but I thought I would be maybe a good idea to give you an idea.

Inside the Western Balkans Investment Framework, when you have projects for technical assistance, for project preparation of investment projects, they have to be in accordance with European Union priorities and European Union accession needs.

So, the projects are presented through the national authorities to the project financiers group, who is prioritizing the projects. Then you have the decision by the steering committee. And then we take the decision to give order for service to consultants to produce feasibility studies, designs, documents and so on.

One is the investments, in that case, they are presented either by the sponsors, the promoters themselves, or by the IFC or by others to the project financiers group, who does again the same work of analysis, of screening and of assessment. Then it goes to the steering committee.

And it could be decided that the project is not mature enough. Then you go back to technical assistance, where we can provide additional technical assistance for further study and come back, or be proposed for grant co-financing for investment.

Now, the first pipeline for projects will be submitted to the first steering committee of the Western Balkans Investment Framework in December 2009, on the 8th of December.

But we integrate to the scheme already projects that are already in a pipeline. So, we start from the beginning with this new framework, but we integrate what we have been doing separately each one of us, banks and us, we are putting in the scheme.

So, which are these projects?

I can introduce to you, for example, for the next meeting decision of the 8th of December, the first one regional local roads in Albania for a total estimated investment of 100 million. This is not the loan, this is the investment. The loan is, I don't know, less than the figure. And then it will be supported by grant of 4 million, and it is co-financed by the EBRD and the EIB.

Also corridor 10 will be presented. I again put the total investment, you can see it is 1,6 billion euros. This is not the whole of the investment that will be decided. And a grant of 10 million will be discussed in order to fund the supervision of construction.

The corridor 5C, it is also a very important project that it is presented for approval. And this is in Bosnia –Erzegovina and its part of the regional core network.

But as I said, we have already taken decisions that we introduce to the scheme, and we have already decided to co-fund actual works in different municipalities, mainly water supply in Serbia, in Bosnia, in Kosovo, in Albania for 84 million euros grants, that complement loans of 500 million.

For example, the water supply for Gyrokastró, and ...in Albania. The scheme itself is 22 million. There is 4,7 million of grants, and the rest is loans, about 12 million. And financing of the municipality for the rest.

Also, in Serbia, we have agreed in co-financing the reconstruction the transports in Belgrade together with the EIB.

And finally, this is another case where there is only technical assistance for preparation of this project, it is in Bosnia –Erzegovina,

Biellina water supply. So, we have already invested 2 million for preparing a project which total investment is 12 million.

Thank you very much for your attention. Ευχαριστώ πολύ.
