



# WESTERN BALKANS PLUS PROGRAM

Photo: © Kushtrim Balaj

## Advancing Climate and Green Growth Priorities in the Region

*With 41 grants totaling nearly US\$9 million through the end of 2024, the WeBa+ Program supports the 6 countries of the Western Balkans and 4 countries in Europe and Central Asia to advance their climate and green growth priorities.*

The WeBa+ Program has been exclusively supported by the Austrian Ministry of Finance since its inception in 2020. The program's geographic focus is primarily driven by the unique development context of countries in the region, and their need for targeted support to address the climate and environmental challenges arising from high fossil fuel dependency, infrastructure gaps, and strategies associated with the European Union's (EU) Green Agenda.

The WeBa+ Program supports countries in adopting impactful policy reforms and undertaking investments to reduce GHG emissions, strengthen resilience to climate shocks, and improve environmental outcomes. It is closely aligned with World Bank lending operations in the region, advancing policy priorities and addressing investment needs for climate and green growth.

WeBa+ priority areas are:

1. Improving air quality and pollution management
2. Promoting sustainable urban development
3. Supporting policies, institutions, and jobs for sustainable green growth
4. Mainstreaming climate resilience in selected sectors

## What Does Program Support Look Like?

The WeBa+ Program is supporting both country-specific and regional activities. These include:

- ➔ Policy support and investments to improve air quality
- ➔ Scaling up solutions for integrated and circular approaches to waste management
- ➔ Clean energy projects, including solar and hydropower development
- ➔ Just transition analytics and investments
- ➔ Decarbonization of the transport sector, including railway network policy reforms and investments
- ➔ Protection of coastal waters, ecosystems, and forests
- ➔ Mainstreaming climate in public financial management
- ➔ Supporting private sector participation in climate-related investments across key sectors

# Enhancing Synergies with the World Bank's Operational Portfolio

The WeBa+ Program has played a crucial role in supporting the World Bank's operational portfolio in the Western Balkans and more recently in the broader region. As of 2024, the Program has informed US\$ 791 million in World Bank lending across 29 operations. The Program also supports core diagnostics such as [Country Climate and Development Reports](#) and programmatic analytics that strengthen the knowledge foundation to inform country engagement.



## IMPACT STORIES

### ***Enabling the Energy Transition in the Western Balkans***

Two energy challenges converged in the region in 2021-2022: aligning the COVID-19 recovery with the transition to a low-carbon energy sector, and the other, mitigating the ongoing energy crisis. The WeBa+ Program supported a range of analytics to assist the Western Balkans countries in developing and implementing policy and investment responses in a programmatic manner towards a more sustainable and less carbon-intensive energy mix.

In **Kosovo**, a renewable energy options analysis informed the government's enactment of the Law on the Promotion of Renewable Energy Sources increasing the institutional mandatory targets for renewable energy, which was supported through the [Kosovo First Fiscal Effectiveness, Competitiveness and Green Growth Development Policy Financing](#) (US\$ 100M). The new law is expected to increase Kosovo's new renewable energy sources committed for electricity generation.

In **Serbia**, a review of renewable energy auctions informed an update to the associated regulatory framework to increase renewable energy generation capacities supported through the [Second Serbia Green Transition Programmatic Development Policy Loan](#) (US\$ 160M).

In **North Macedonia**, a land use and repurposing assessment was conducted to determine the optimal future uses of coal mining lands. This in turn informed the determination of feasible concepts for sustainable district heating investments adapted to local contexts.

### ***Linking Improved Air Quality Management to Productivity in Bosnia and Herzegovina and Serbia***

In **Serbia**, the WeBa+ Program is helping address air quality affected by the practice of burning of agricultural residue in Vojvodina Province. Feasibility studies assessed the viability of the agricultural biomass value chain and biogas production, taking into consideration EU and Serbian requirements for low-carbon strategies. Four pilots linking small- and medium-size cereal producers to biomass





processors received technical assistance. WeBa+ support has benefited small- and medium-sized cereal producers, producer cooperatives, biogas associations, chambers of commerce, large agri-food and cereal processors and exporters, and national and provincial government institutions. Activities informed the preparation and implementation of agribusiness development plans to adopt climate smart agriculture and value-addition innovations with more than 1,300 farmers in the [Serbia Competitive Agriculture Project \(SCAP\) Project](#) (US\$ 50M) and is expected to inform the new National Agriculture and Rural Development Strategy.

In **Bosnia and Herzegovina**, the WeBa+ Program strengthened the evidence base to address the burden of air pollution in urban hotspots. For Sarajevo, a [functional review](#) of air quality management, along with a concept design for a low emissions zone and a plan of intervention measures in case of excessive air pollution helped inform the [Bosnia and Herzegovina Air Quality Improvement Project](#) (US\$ 50M) and associated investments to strengthen air quality monitoring and support the transition to low-emission transport in Canton Sarajevo.

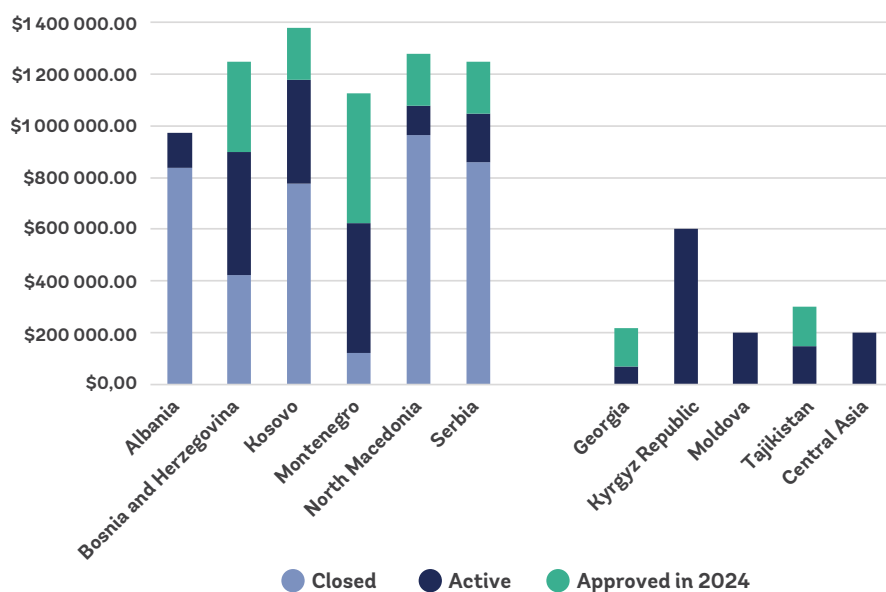
## ***Building Cities That Are Resilient to Extreme Heat in Eastern Europe and Central Asia***

Western Balkan economies are subject to varying degrees of compounding climate impacts such as damages from riverine floods, drought affecting agricultural livelihoods, and labor heat stress implications on GDP. Though costs of adaptation are high, investment in adaptation measures come with the triple dividend of avoided losses, accelerated economic potential, and amplified co-benefits. Moreover, across Europe and Central Asia, cities – where 70 percent of people live – are getting hotter, dryer and wetter, and urban emissions are worsening. Yet cities also hold the keys to action, with the potential to make urban spaces cooler, protect lives during extreme heat events, adapt infrastructure for a hotter future, and embed heat resilience across government.

These are some of the key findings and future directions resulting from analytics supported by the WeBa+ Program. A [methodology](#) for modeling the cascading impacts of climate hazards and the costs and benefits of potential adaptation interventions accompanied the [Western Balkans Country Climate and Development Report](#). Extreme heat mapping was carried out in 6 cities in close conjunction with mayors and community leaders and universities in the region: Tirana, Shkodra and Vlore in [Albania](#), in Sarajevo and Mostar in [Bosnia and Herzegovina](#), and in Skopje in North Macedonia. The [Unlivable: How Cities in Europe and Central Asia Can Survive and Thrive in a Hotter Future](#) flagship report points to steps cities can take to minimize negative impacts from rising temperatures and integrate these in development planning.

## WeBa+ At a Glance

### Funding allocation by country



**41**

Total number of grants

**10**

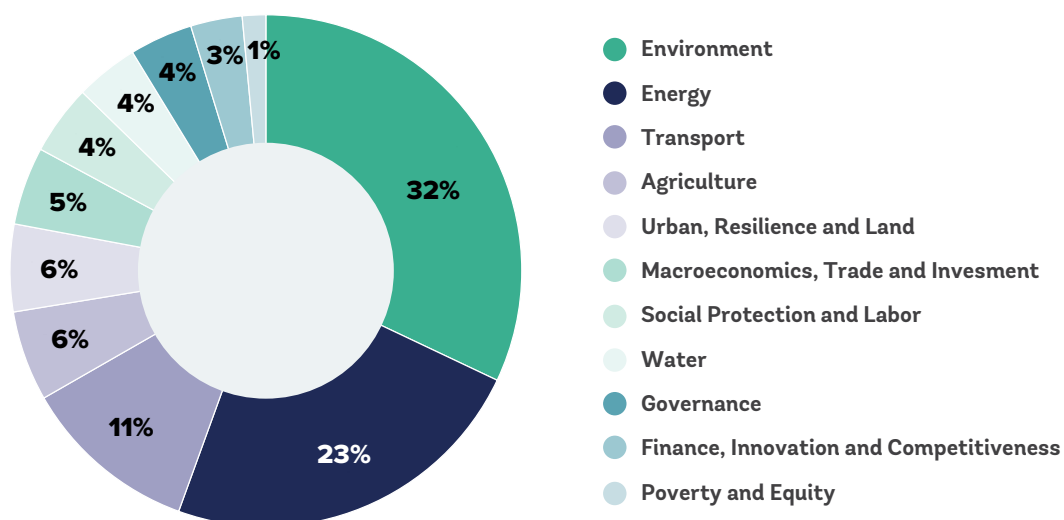
Countries supported

**\$8.8 M**

Total approved grants

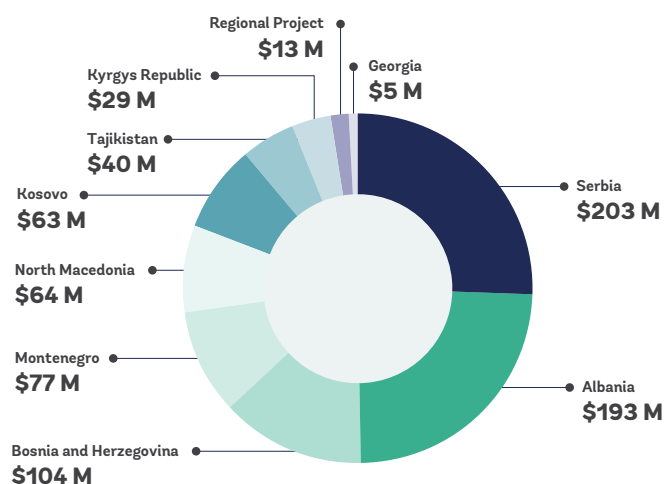
**Note:** In cases where more than one country received funding under the same grant, the grant amount has been distributed equally.

### Key sectors supported by WeBa+ grants



## Strengthening Operational Readiness and Implementation

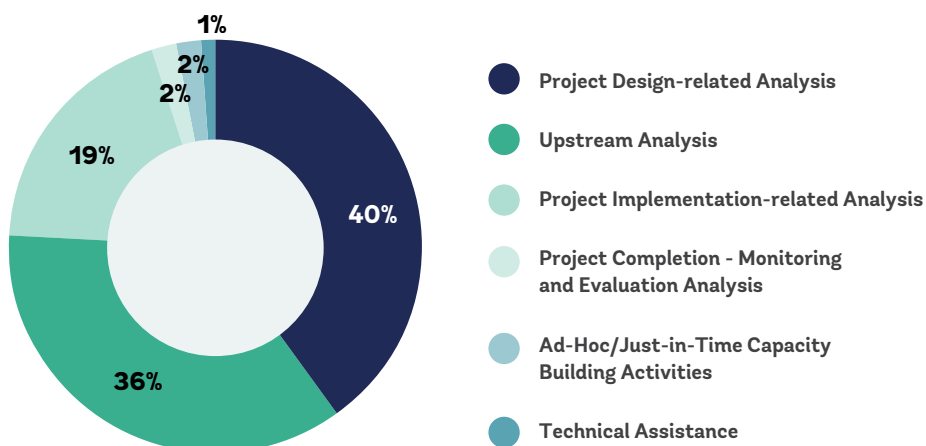
Volume of lending informed by country



**\$791 M**

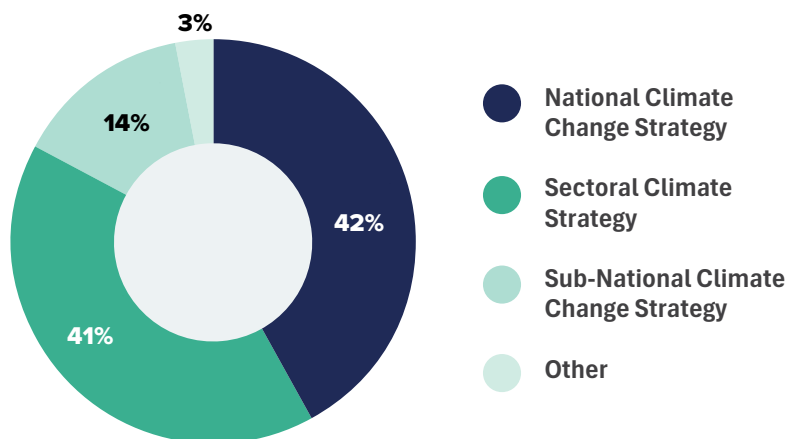
In World Bank lending informed

Project cycle phase supported by grants



## Yielding Impactful Results Aligned with Country Priorities

Strategies Supported by Grants



**100%**

Of grants supporting climate-related policies, regulatory frameworks, and plans

**1,765**

Megawatts of renewable energy enabled through linked lending

**840,000**

Tons CO<sub>2</sub>e in expected net GHG emissions reductions from linked lending