

# »»» Water Sector Financings in WB6: Approach of KfW (German Development Bank)

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Golem, Albania, November 2023

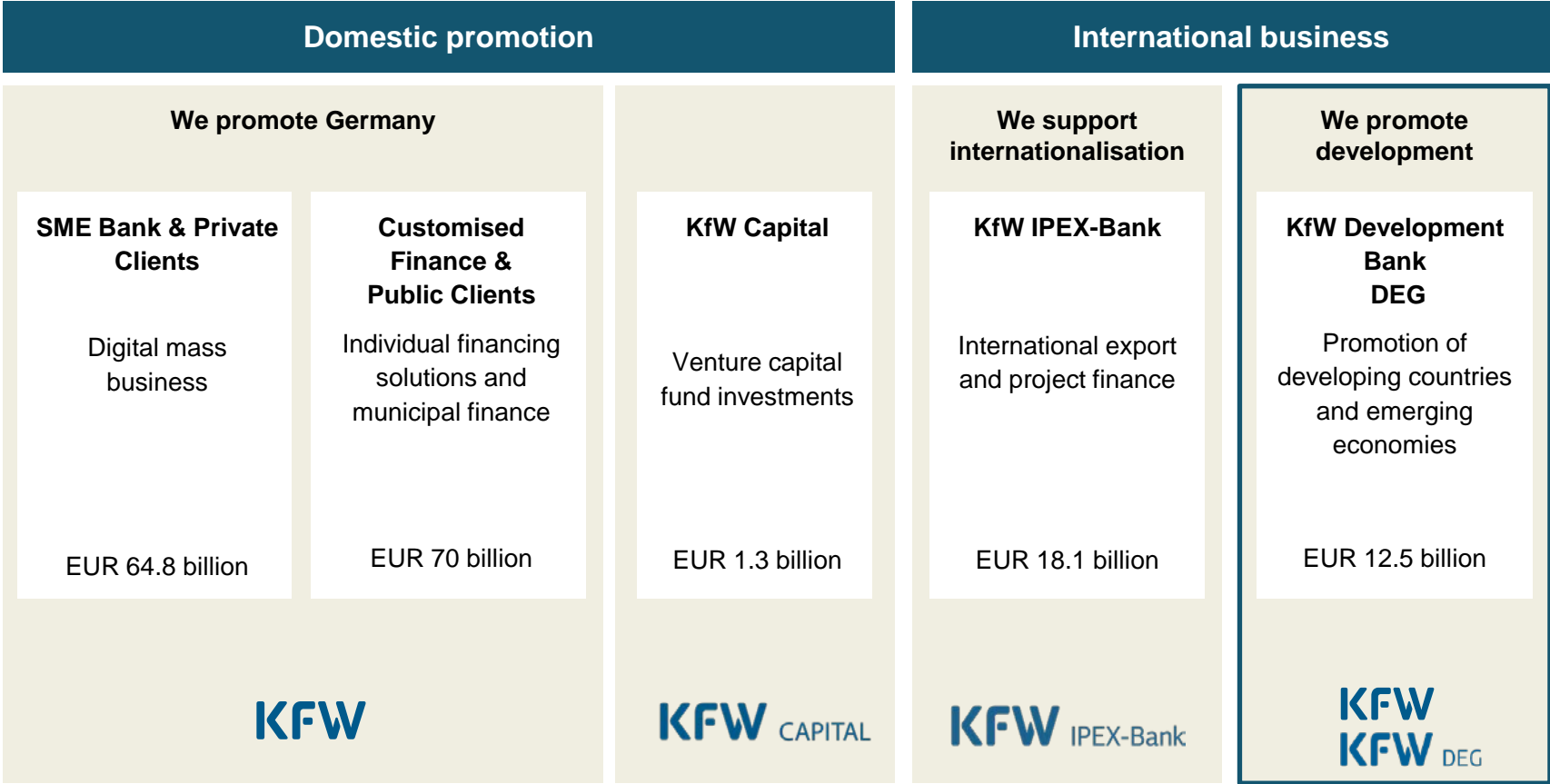
# Outline

- 1 KfW Development Bank - Who we are
- 2 WB6 Strategic Framework of Cooperation
- 3 Supporting Urban Development – Focus Water (Waste Sector)

**»»» KfW Development Bank –  
Who we are**

# KfW Development Bank as Part of the KfW Group

## Business Sectors and Annual Commitments 2022



# Partner Countries & Regional Offices

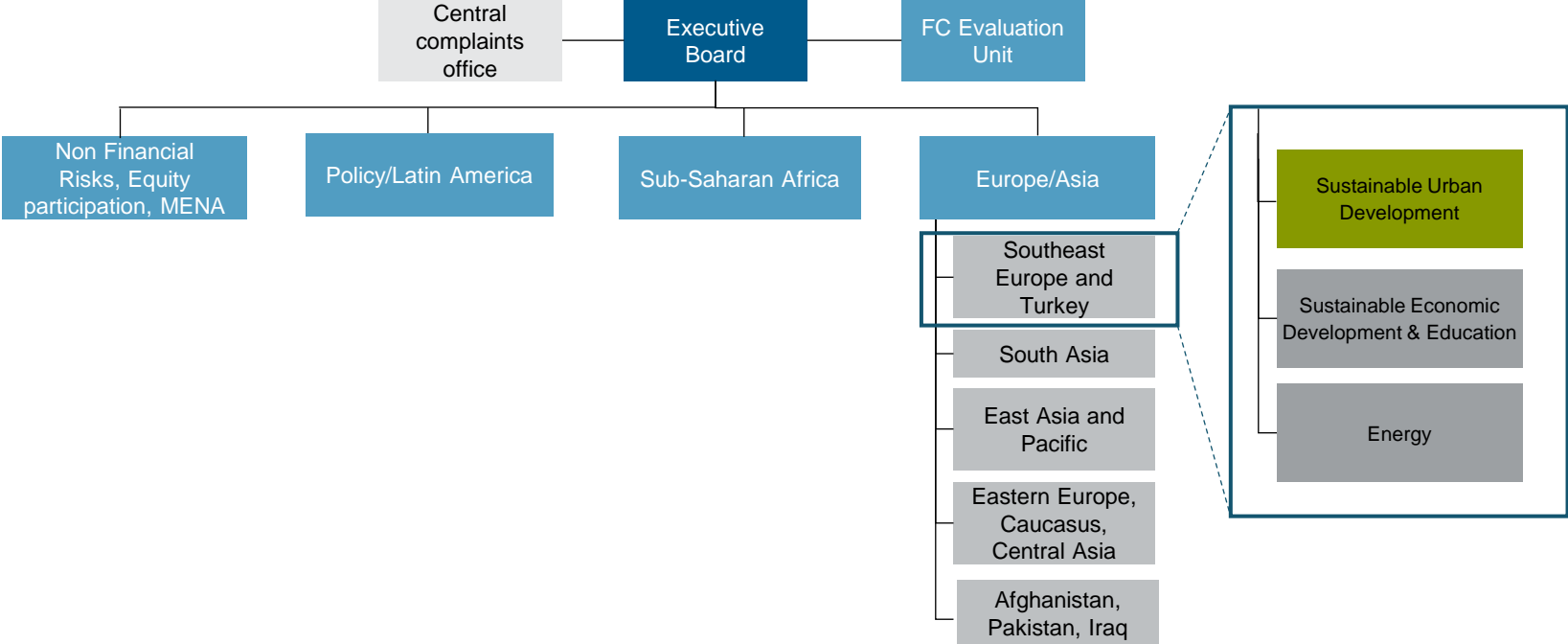
KfW Development Bank



Last updated: 31.12.2022

# Organisation of KfW Development Bank

## Structure of Department Southeast Europe and Turkey



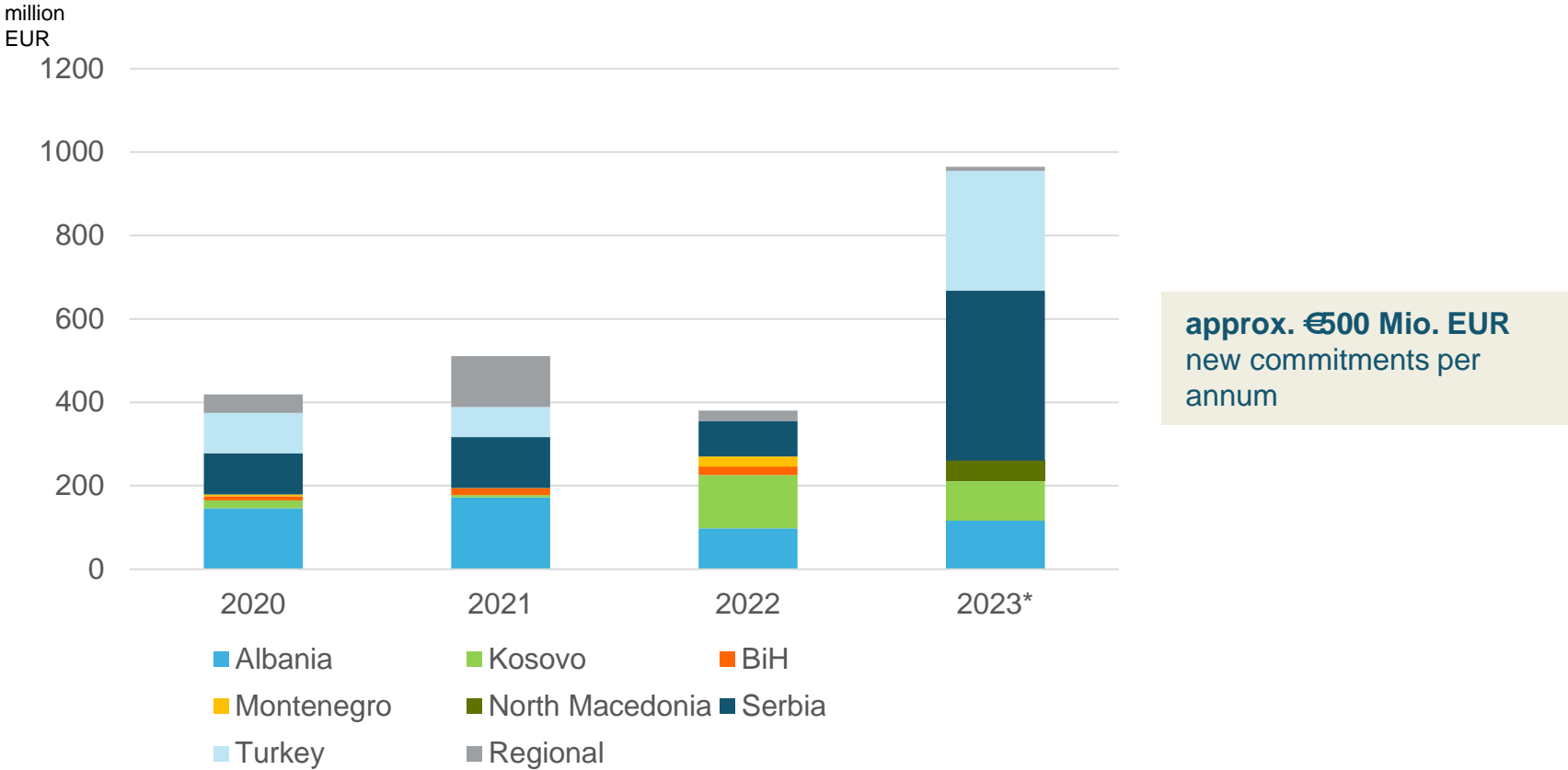
# KfW's Presence in Southeast Europe and Turkey

## Regional Overview



# KfW's Commitments in Southeast Europe and Turkey

Strong growth in 2023 due to increased political focus





# **»»» WB6 Strategic Framework of Cooperation**

# Enhancement of a Regional Climate Partnership

Berlin Process, EU-WB6 Summits (Berlin 2022 and Tirana 2023)



Western  
Balkans  
Summit  
BERLIN 2022



"Western Balkans Regional Climate Partnership"

## Stakeholders/Structure

### Supports the WB6:

- aligning with EU climate targets (**EU Green Agenda**), **Paris Agreement**
- paving the way for **decarbonisation**, energy independence/ (just) transition



giz

KfW

NGOs,  
etc.



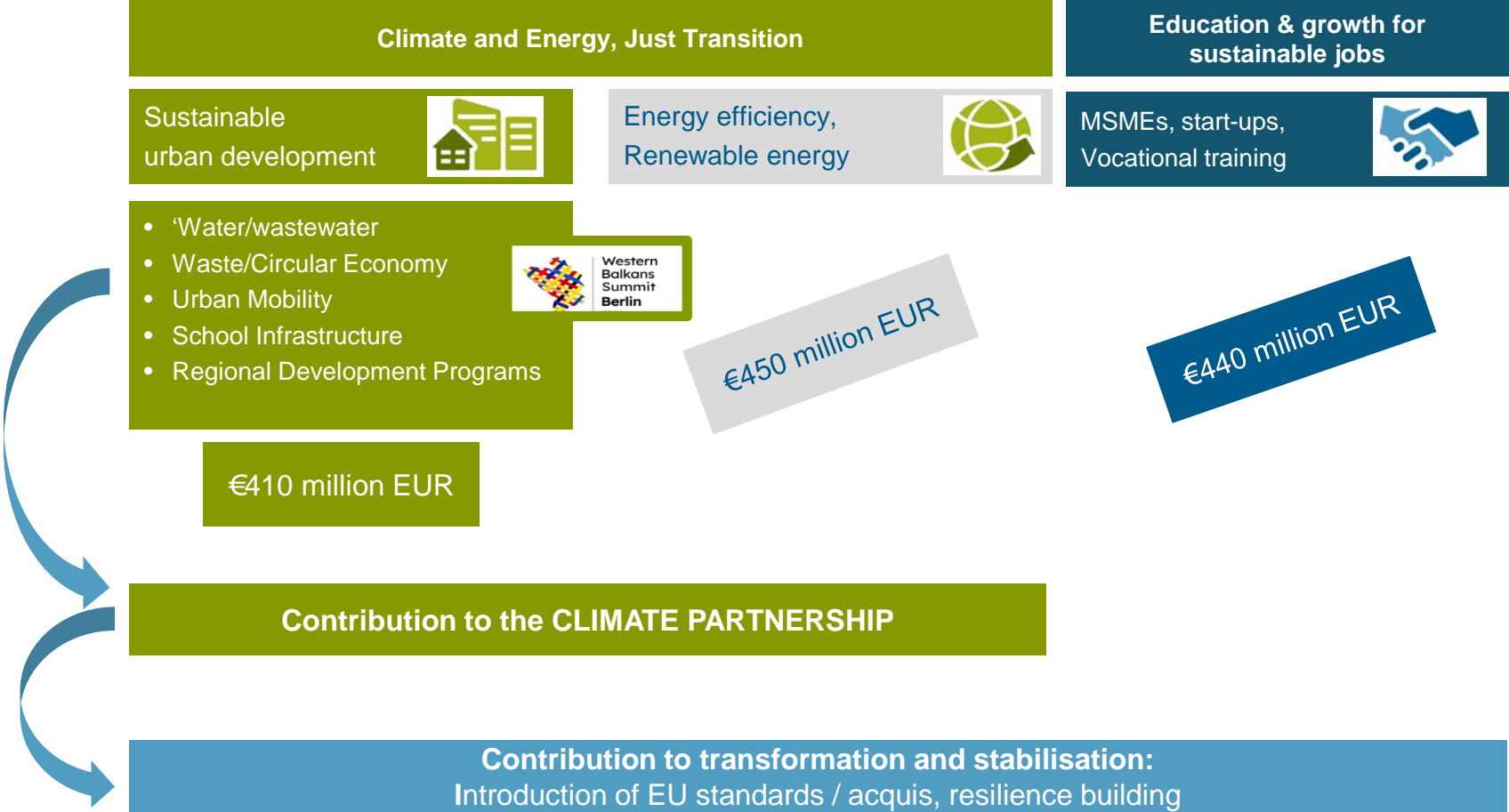
### Strengthening:

- Cooperation
- Sector Reforms
- Public/private investments
- Innovation

✓ Extension of existing bilateral climate partnership (with Serbia) to all WB6 countries

# Focus of KfW's portfolio in WB6

Commitments: €1.3 bln. over the last 3 years





**Supporting Sustainable Urban  
Development**

**Focus Water (Waste) Sector**

# Sustainable Urban Development in Western Balkan

## KfW's Approach

### Why is the topic relevant in the region?

- › **EU-rapprochement** process
- › Less than 10 % of solid waste and 25 % of waste water are sustainably
- › Cities of WB6 are **substantial greenhouse gas emitters**

### Guiding Principles

- › Support of **reform** and EU-rapprochement
- › WB6 as preferred **BMZ regional climate partner**
- › Goal of urban infrastructure conforming to **EU-standards**
- › Focus on **Circular Economy (Water/Waste)**, urban resilience, efficient mobility / social building infrastructure
- › Integration of **BMZ guidelines**: Just Transition, digitalization, gender, good governance

### Conceptual Approaches

#### Performance-based Financing

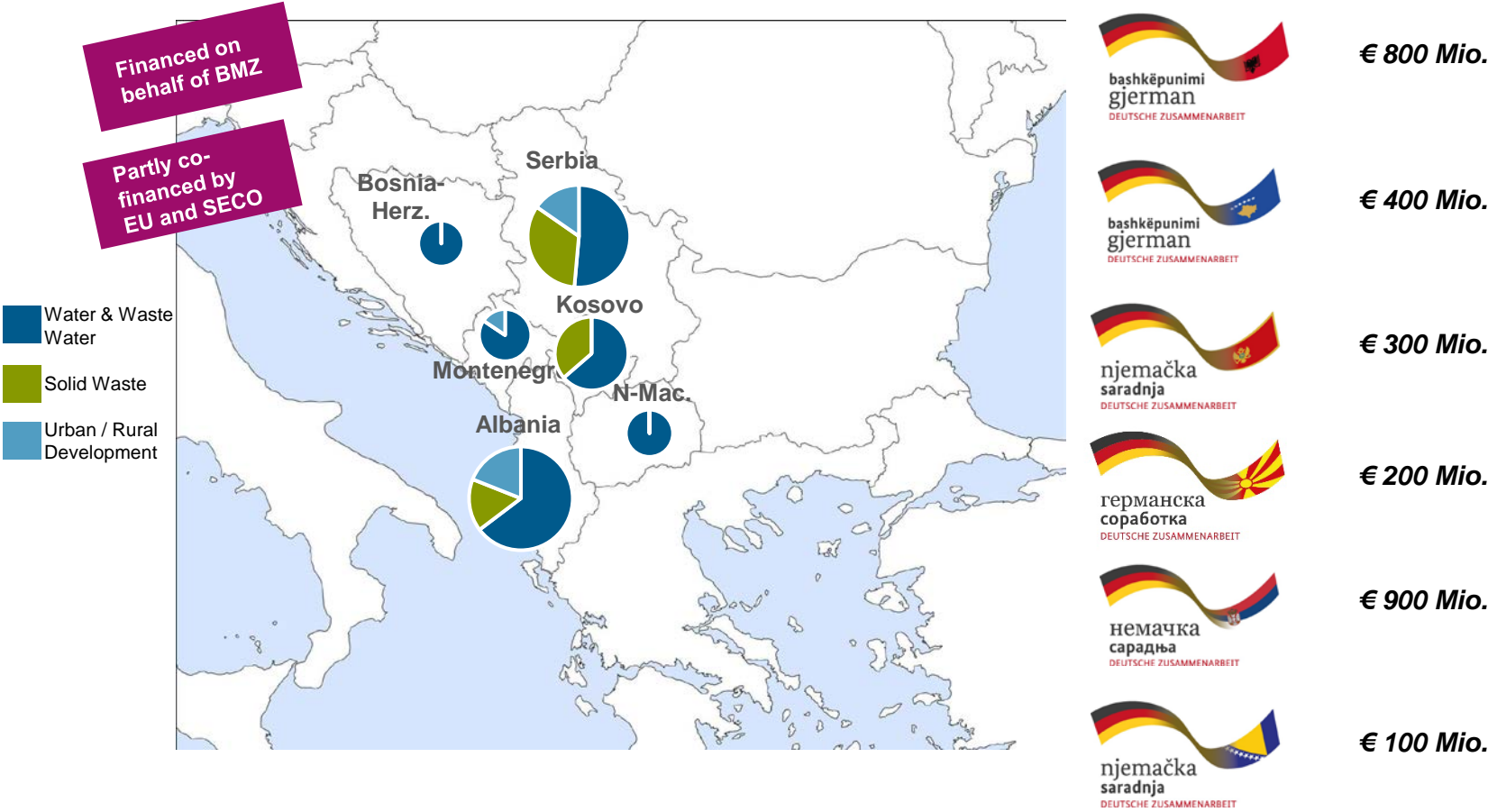
- › Operational and organizational **strengthening of PUC** prior to execution of investment
- › High **ownership** of participating PUC
- › PUC are capable of ensuring **long-lasting sustainable operations**

#### Program-based Financing

- › Basis: national, regional, municipal **master plans and concepts/studies**
- › Yielding of **broad effects** in an urban context
- › **Need-based coverage** of a **varied mix of topics** within the urban context
- › Furtherance of **livable, sustainable, climate and environmentally-balanced** cities

# KfW's WB6 Engagements

## Completed and Ongoing Program/Project Volumes



Source: freeworldmaps.net

# KfW's Urban Infrastructure Engagements in Albania

## Projects and Programs

### Previous/Existing Projects

**Municipal Infrastructure I-V**

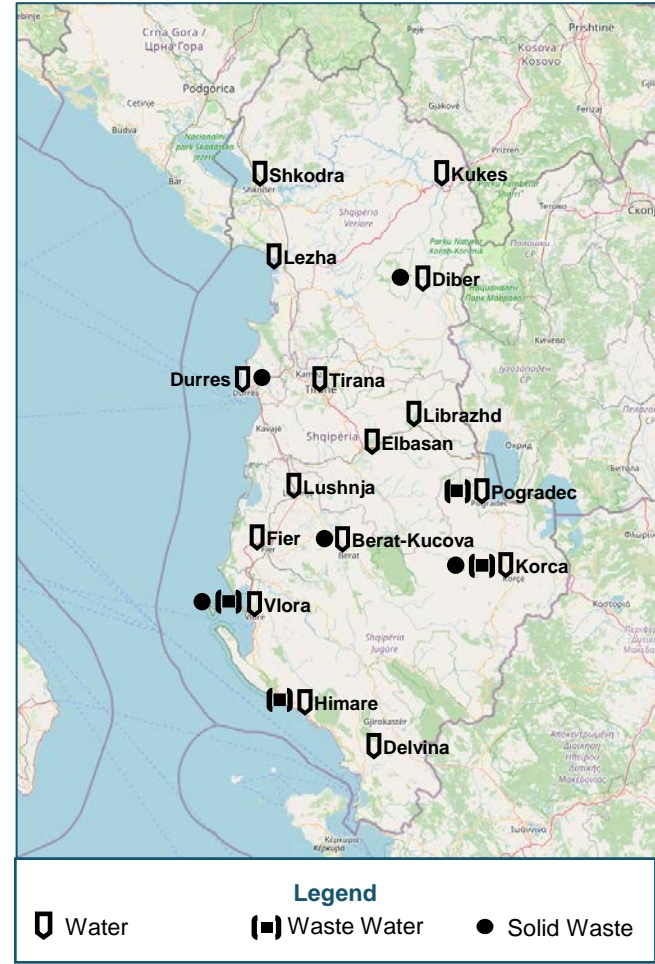
**Larger Cities:**  
Water/Wastewater Network/Treatment Rehabilitation and Extension  
€230 Mio.

**Rural Water Programs I-IV**

**Smaller cities:**  
Water/Wastewater Network/Treatment Rehabilitation/Extension  
€36 Mio.

**Solid Waste Projects**

**Region Vlora & Korca:**  
Waste Management/Transport/Transfer/Treatment/Disposal Systems  
€40 Mio.



Source: OpenStreetMap

### Program Development

**Water Sector Performance and Investment Programme (WPIII)**

**Larger Cities:**  
Water/Wastewater Network/Treatment Rehabilitation and Extension  
€70 Mio.

**Solid Waste Management Program**

**Larger Cities:**  
Construction, Rehabilitation and Improvement of Solid Waste Landfills, Transport, Transfer, Treatment Infrastructure  
€70 Mio.



# KfW's Urban Infrastructure Engagements in Kosovo

## Projects and Programs

### Previous/Existing Projects

#### Sewage Disposal Southwest I/II

**Prizren:** Waste Water Treatment Plant and Sewage Network €12 Mio.

#### Sewage Disposal Southwest III

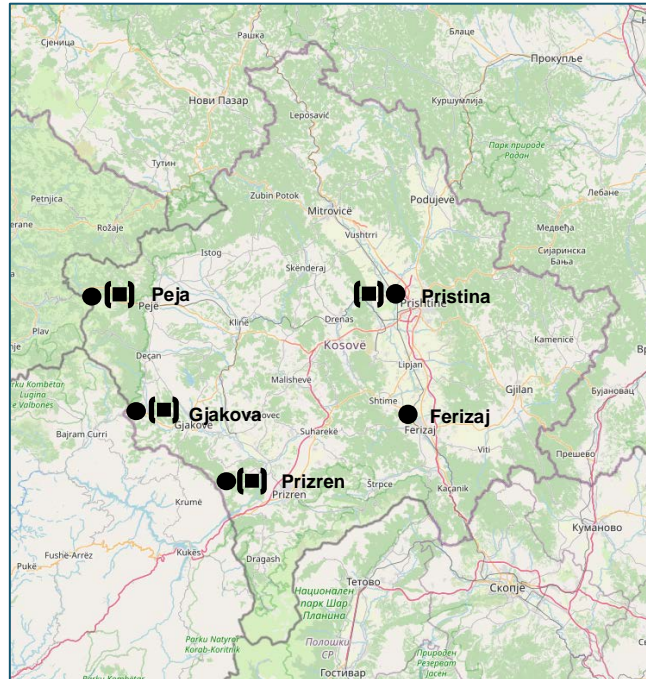
**Gjakova:** Waste Water Treatment Plant and Sewage Network €14 Mio.

#### Sewage Disposal Southwest IV

**Peja:** Waste Water Treatment Plant and Sewage Network €17 Mio.

#### Sewage Disposal Southwest V/VI

**Prizren/Gjakova/Peja:**  
Sewage Network €18 Mio.



#### Legend

■ Waste Water      ● Solid Waste

Source: OpenStreetMap

### Program Development

#### Sewage Program Pristina

**Pristina Region:**  
Rehabilitation Sewage and Stormwater Network / Connector WWTP  
€62 Mio.

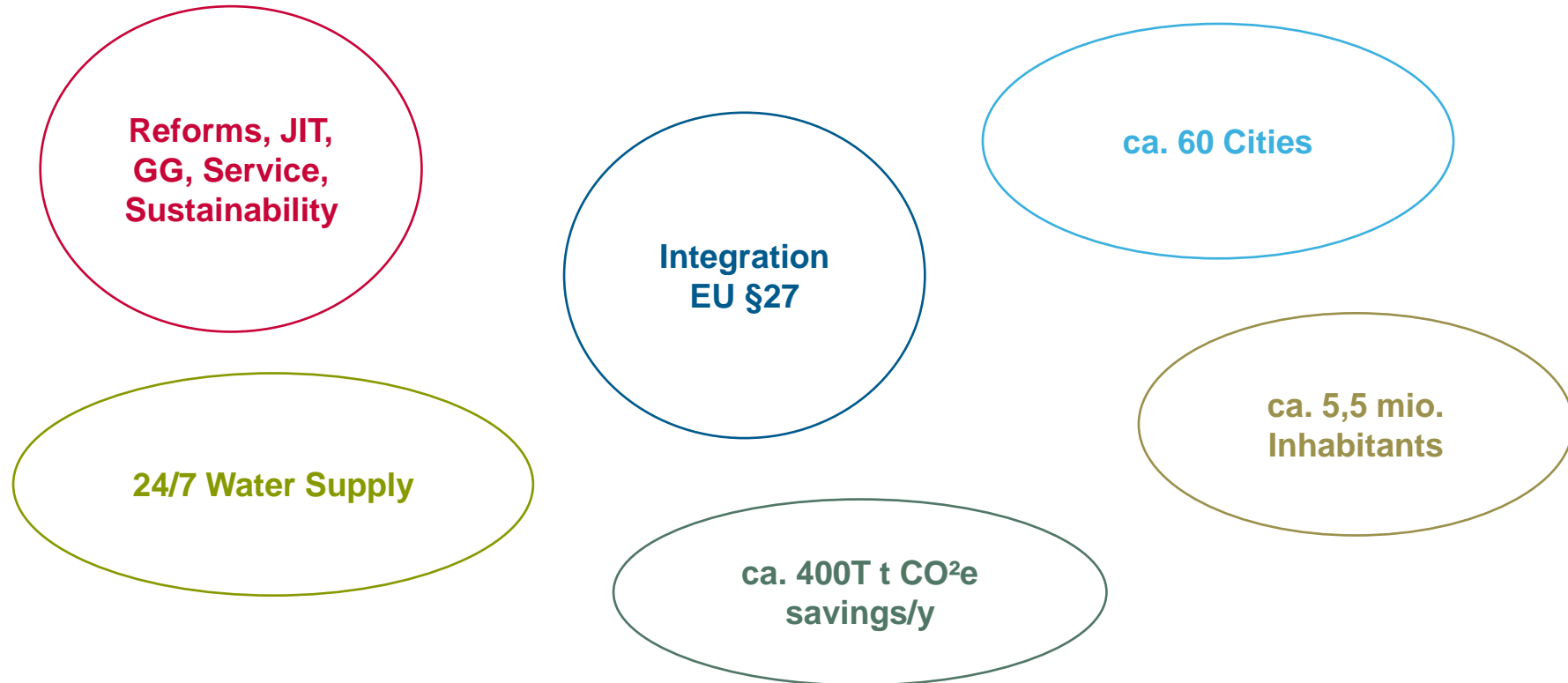
#### Solid Waste Mgmt. Program II-IV

**Several Cities, incl. Pristina:**  
New Landfill / Closure and Rehabilitation of Landfills, Transfer Stations  
€44 Mio.



# KfW's Urban Infrastructure Engagement in WB6

## Macros - Targets and Results



# Project Examples

## Impressions



*Peja, Kosovo*



*Krusevac, Serbia*



*Gjacova, Kosovo*



*Prizren, Kosovo*

**KFW**

**>>> Thank you !**

