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22 September 2026

Dear Executive Directors,

On 24 September, the World Bank Board is scheduled to approve the [Serbia – Strategic Gas Infrastructure and Institutional Strengthening Project \(P516640\)](#).

We urge the Board to defer approval of this project and request a fundamental reassessment of its rationale, alternatives and climate compatibility.

The proposed IBRD commitment of USD 195.5 million would finance a [new gas transmission pipeline and institutional reforms in Serbia](#) in its energy sector. The project constitutes Phase I of a wider programme that envisages a substantial expansion of Serbia's gas infrastructure. The subsequent phases include the Pojate–Veliko Orašje pipeline (approximately 80 km), followed by Mokrin–southern Belgrade pipeline (approximately 15 km), and the Tilva underground gas storage facility.

Serbia is already having trouble meeting its existing gas needs, and has [refused to stop buying Russian gas due to its lower price](#) than other sources. Yet the country is planning to increase its gas consumption significantly, including by building a [new 500 MW gas plant in Niš](#) and another one in Novi Sad, as well as distribution networks across the country. International financial institutions should not be encouraging such short-sighted moves.

In June 2026, the World Bank also approved a USD 2.4 million [preparation grant](#) for a gas-fired combined heat and power and district-heating project in Bitola, North Macedonia. Taken together with the proposed Serbia operation, this suggests an expanding role for the World Bank in backing fossil gas infrastructure in the Western Balkans at a time when the region needs to accelerate its transition away from all fossil fuels.

Fossil fuel projects are no longer eligible for EU funding, and the World Bank should not finance infrastructure that the EU's public policy is increasingly seeking to move beyond. The European Commission has [recently confirmed](#) that gas infrastructure cannot be funded by the Reform and Growth Facility for the Western Balkans and the Western Balkan Investment Framework. Nor can gas projects be identified as priority projects under the Trans-European Networks for Energy (TEN-E) Regulation any longer.

Recent experience should make the Board particularly cautious about equating additional gas infrastructure with energy security. The Commission has [warned](#) that, for the second time in less than five years, the dangers of Europe's dependence on fossil fuel imports have become abundantly clear, with dependence creating both economic and energy security vulnerabilities. The EU's response has been to accelerate the transition towards clean, secure and home-grown energy and reduce dependence on volatile fossil fuel markets.

Against this backdrop, directing public finance towards new, long-lived gas infrastructure risks locking the Western Balkans into the very fossil-fuel dependence that Europe is seeking to reduce. Rather than insulating the Western Balkans from future energy shocks, such infrastructure could prolong exposure to volatile international gas markets and leave the region carrying the financial costs of assets whose utilisation must decline as the energy transition accelerates.

In view of an uptick in gas plans across the Western Balkans, in April 2026, 47 civil society organisations issued a [joint letter](#) asking governments to cancel gas expansion plans. Among others, they called on ‘other EU governments and donors to clearly and publicly convey to the region’s government that the Western Balkans is in a different situation to the EU due to its low gas dependence; that times have changed and the EU is reducing gas use, and that they must use this opportunity to avoid gas dependence.’

In October 2025, 19 of the World Bank's 25 Executive Directors, representing 120 countries, issued a [joint statement](#) reaffirming support for the Group's continued work on climate change. The statement reaffirmed support for the World Bank's leadership on climate and nature action and for supporting countries' demand for ‘low carbon, climate resilient, and nature positive pathways.’

This concern is reinforced by the United Nations Environment Programme (UNEP). In its recent report, [UNEP calls for action](#) to place the world on an ‘overshoot, peak, and decline’ pathway, with the objective of returning below 1.5°C as soon as possible. Decisions to build long-lived fossil gas infrastructure cannot therefore be considered solely through the lens of short-term gas supply. They must also be assessed against the need to rapidly reduce emissions and avoid locking countries into new fossil fuel dependence.

We therefore reiterate our call to defer approval of the Serbian gas project, and ask the World Bank to refrain from further financing of fossil gas infrastructure in the Western Balkans. If you would like to discuss any of the above issues, we would be happy to do so.

Kind regards,

Aarhus center in BiH

Bosnia and  
Herzegovina



Belgrade Open School

Serbia



CEE Bankwatch Network

Regional



Center for environmental research and  
information Eko-svest

North Macedonia



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|-------------------------------------------------------|-----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|
| Environment Improvement Centre                        | Serbia          |  ENVIRONMENT<br>IMPROVEMENT<br>CENTRE                              |
| Environmental Association “Za Zemiata”                | Bulgaria        |  <b>Za Zemiata</b><br>Friends of the Earth Bulgaria                |
| Foundation BFPE for a Responsible Society             | Serbia          |  <b>bfpe</b><br>SINCE 2003                                         |
| Mining Watch Serbia (KORS)                            | Serbia          |                                                                    |
| Platform for Social Development and Innovation - CORE | Serbia          |  <b>CORE</b><br>Platform for Social Development<br>and Innovation  |
| Renewables and Environmental Regulatory Institute     | Serbia          |  <b>RERI</b>                                                     |
| Resource Environmental Center (REC) in Albania        | Albania         |  <b>REC</b><br>ALBANIA                                           |
| Youth Cultural Center - Bitola                        | North Macedonia |  <b>YCC</b><br>YOUTH CULTURAL CENTER - BITOLA<br>NORTH MACEDONIA |
| Youth Ecological and Security Zone - EcoZ             | Kosovo          |  <b>ecoZ</b>                                                     |
| WWF Adria                                             | Regional        |  <b>WWF</b>                                                      |