

Establishment of the Western Balkan Enterprise Development and Innovation Facility (WB EDIF)

Project Financing

WBIF	Grant	WB5-REG-PSD-01	€ 2,200,000
Other	Other Sources		€ 5,000,000
WBIF	Grant	WB10-REG-PSD-01	€ 3,300,000
EIF	Other Sources		€ 10,000,000
EBRD	Other Sources		€ 81,000,000
WB	Other Sources		€ 4,000,000
DEG	Other Sources		€ 5,000,000
Private investors	Other Sources		€ 5,300,000
EC	Other Sources		€ 170,300,000
KfW	Other Sources		€ 8,000,000
Total			€ 294,100,000
Total Grants			€ 5,500,000
Total Loans			€ 0

Project Description

Small and medium-sized enterprises (SMEs) in the Western Balkans represent the backbone of the respective local economies. At the same time, however, they are very exposed to volatile markets and often lack access to finance available in more mature markets. This underdeveloped SME infrastructure puts local businesses at a significant disadvantage, thus also hindering a sector which is an important source of economic growth and provider of jobs. WBIF is responding to this deficiency by providing support for private sector development. This support will foster economic development in the region through the creation of preconditions for the establishment and growth of innovative and high-growth potential companies.

In order to be competitive, companies need investment capital for equipment and working capital such that they can respond to ever demanding market forces and competitive pressures. Part of remaining competitive within the agenda of joining the EU is the need to meet the EU acquis and related standards; fulfilling these also requires investment.

The initiative supported by the WBIF is the Western Balkan Enterprise Development and Innovation Facility (EDIF). EDIF focuses on two specific target business sectors based on their stage of development:

- equity financing early-stage innovative companies with the Enterprise Innovation Fund (ENIF), and
- equity financing for potential high growth companies with the Enterprise Expansion Fund (ENEF).

Furthermore, a third debt instrument, the guarantee facility is available via WB EDIF whereby Western Balkans financial intermediaries are provided with guarantees and counter-guarantees to facilitate on-lending to high growth potential SMEs. These three instruments are complemented by a horizontal instrument, the advisory and

support services pillar, whereby projects (new or existing) are brought under the EDIF umbrella and financed in order to further foster and develop a venture capital ecosystem, investment readiness, innovation, policy making and other cross-cutting areas in need of development.

In late 2012 WBIF seed funded the EDIF with a €34.2 million grant. The scheme's partners are the EBRD and EIB with management delegated to the European Investment Fund (EIF). Capital resources for investment now stand at €145 million which is expected to translate to €300 million of investment funds for SMEs as the funds are cycled and recycled. Financial intermediaries, banks and venture capital firms, will be contracted to operate the scheme and will be the main interface with SMEs.

See the [Western Balkan Enterprise Development and Innovation Facility \(EDIF\)](#) website for further information.

Links

[WB EDIF Guarantee Facility – New Funding Opportunities](#)

Short EDIF video (c) EU

- **Countries:** Albania,Bosnia and Herzegovina,Croatia,Kosovo*,North Macedonia,Montenegro,Serbia
- **Code:** PRJ-MULTI-PRI-001
- **Sector:** Private sector development
- **Lead IFI:** EIB
- **Status:** Implementation
- **Beneficiary:**