

Republic of North Macedonia

Western Balkans Enterprise Development & Innovation Facility (WB EDIF)

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WB EDIF results

- The WB EDIF since its launching in 2012 made significant results in the field of financing and business support to SMEs in the Western Balkans
- The WB EDIF Annual Report from 2018 shows that WB EDIF has deployed via the financial instruments 264M€, succeeded to sustain more than 78 000 jobs, and provided financial or technical support to more than 4 000 SMEs in the region
- The numbers are significant and the results achieved are very important for growth and development of Western Balkans economies

WB EDIF – Republic of North Macedonia

- **WB EDIF- ENIF-** five investments were made: Cognism, Inplayer, Customsell, Neti, Letz in the total amount of EUR 4.95 million
- **WB EDIF-ENEF-** an investment of EUR 1.75 m, in Cermat was made – company for producing ice cream and other frozen products
- **WB EDIF- Guarantee Facility** - in 2016 the EIF signed a contract with ProCredit Bank in the amount of EUR 10 million
- **WB EDIF- Lending Facility** - through the Program for Improving the Competitiveness of Enterprises in North Macedonia, € 36 million were approved for deploying, out of which 30 million as loans, 4.5 million as grants to be offered to enterprises, and 1.5 as technical assistance for the program

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Support services

- The EBRD provided consultative support for a total of 83 small business projects, helping SMEs to grow and increase competitiveness
- Under the guidance of the OECD, a Small Business Act assessment was conducted that provided a quality basis for creating better SME policies and for strengthening the capacity of policy makers to tackle the challenges associated with their development

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- Since its establishment WB EDIF has deployed via the financial instruments 17M€ in North Macedonia and has provided financing for 59 SME
- Considering the financing made in the other Western Balkans Countries we can notice that the finances made in North Macedonia are comparably relatively low, which means that we as a country must work harder to at least meet the level of financing in our neighboring countries

Recommendations

- According to the previous experience, we can say that most of the financial support from WB EDIF is directed towards the enterprises from the ICT industry and wholesale and retail trade, repair of motor vehicles and motorcycles
- We would like to emphasize the need for technical and financial assistance to non-high-tech or non-innovative startups. ENIF and portfolio investments in the ICT industry has sown significant results and should be applied in greater extend to non-innovative enterprises, that is, in the production companies with export capacities as well

Recommendations

- EDIF should become an open platform that will provide different types of support to the companies: through business angels, venture capital, accelerators, etc,
- There is a need to increase the visibility of the EDIF platform and its benefits in the beneficiary countries
- To establish EDIF offices in all the Western Balkan countries, where the persons that will be engaged will work on the implementation of the projects and will be responsible for achieving the set results. This will facilitate communication and increase the visibility of the platform.

Recommendations

- When creating SME support instruments, it would be useful to take into account the OECD recommendations regarding the application of the Small Business Act
- By sharing the problems related to the development of SMEs which are similar in the Western Balkan countries, we can jointly find the best solutions that will lead to the economic development of the entire region

Thank you for your attention!

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