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# BLENDING AND GUARANTEES

## Overview of Active WBIF Programmes for Private Sector

In cooperation with





# BLENDING AND GUARANTEES

## Overview of active WBIF programmes for private sector

The development of a robust private sector is essential for regional socio-economic development and integration, and to improve the region's competitiveness and job creation. The Economic and Investment Plan (EIP) for the Western Balkans focuses on

the importance of supporting start-ups and micro-, small and medium-sized businesses as a means to this end and directs significant investments towards innovation and green growth. To unlock the potential of the private sector, increased EU financing is made available

through blending of grants and loans, and guarantees under the Western Balkans Guarantee Facility (EFSD+). This reinforces open, innovative, business friendly eco-systems.



### Key results

Since 2009

**€578m**  
EU funds for MSMEs in the Western Balkans

**885,000**  
jobs supported and/or sustained

**1.3m MWh/yr**  
energy savings

**€6.2bn**  
total investment value

**14,000**  
young people hired or trained

**400,000 t**  
CO<sub>2</sub> emissions reduced

**343,000**  
MSMEs supported

**30**  
start-ups supported through seed investments



The EU has helped MSMEs to meet the standards related to environmental protection, occupational health and safety, and product quality and safety, thereby enabling them to compete effectively in the EU market.

### EIP Policy priorities

In line with the EIP, the key EU policy priorities for the private sector development in the Western Balkans include:

Green transition

Sustainable agriculture

Digital transition and innovation

Trade and value chain innovation

Financial inclusion

Financial and financing diversification

Multi-thematic

Programme	Policy Priority
<b>SME Go Green Programme in the Western Balkans</b>	Sustainable agriculture
	Green transition
<b>Green Finance for Inclusion</b>	Financial inclusion
	Sustainable agriculture
<b>Go Digital in the Western Balkans</b>	Green transition
	Digital transition and innovation
<b>Eco-Industrial Parks in the Western Balkans - Proof of Concept</b>	Green transition
	Trade and value chain innovation
<b>Pilot Programme on Inclusive and Socially Responsible Procurement</b>	Financial inclusion
<b>Structural Reform Facility - Competitiveness Policy Priorities for Western Balkans</b>	Digital transition and innovation
	Financial inclusion
<b>European Fund for Southeast Europe (EFSE)</b>	Sustainable agriculture
	Green transition
<b>Green for Growth Fund (GGF)</b>	Financial inclusion
	Financing and financial diversification
<b>Enterprise Expansion Fund (ENEF) II</b>	Financing and financial diversification
	Financial inclusion
<b>WB EDIF Guarantee 4 SME Resilience</b>	Financing and financial diversification
	Trade and value chain innovation
<b>Western Balkans Regional SME Competitiveness Support Programme</b>	Green transition
	Multi-thematic

<b>SME Go Green Programme in the Western Balkans</b>			Sustainable agriculture	Green transition
Beneficiaries: Albania, Bosnia and Herzegovina, Kosovo*, Montenegro, North Macedonia, Serbia	Start date: <b>December 2022</b>	Total WBIF grant: <b>€25 million</b>		
	Status: <b>Under implementation</b>	Estimated investment: <b>€145 million</b>		
Embrace green prosperity with the SME Go Green Programme, a trailblazing initiative led by the European Bank for Reconstruction and Development (EBRD). It focuses on enhancing the green and circular economy, agribusiness and competitiveness investments for small and medium-sized enterprises (SMEs) in the Western Balkans.	The Programme is strategically designed to focus on: <ul style="list-style-type: none"> <li>Scaling up green economy investments by allocating at least 70% of total investments to green technologies</li> <li>Supporting agriculture and agribusiness value chains by dedicating 33% of total investments to this sector</li> <li>Ensuring more equitable access to climate finance for women-led SMEs by directing at least 25% of the investments to initiatives led by women</li> </ul>	EBRD extends debt financing to SMEs through local commercial banks for qualifying investments. These credit lines are boosted by an EU-funded advisory service and cash-back incentives await SMEs upon successful completion and verification of investments.		
<b>Green Finance for Inclusion</b>			Sustainable agriculture	Financial inclusion
Beneficiaries: Albania and Serbia	Start date: <b>January 2023</b>	Total WBIF grant: <b>€10 million</b>		
	Status: <b>Under implementation</b>	Estimated investment: <b>€120 million</b>		
Unleash the potential of underserved micro, small, and medium-sized enterprises (MSMEs) across the Western Balkans with the Green Finance for Inclusion programme. By investing in innovative energy efficiency and climate-resilient measures, this programme will drive transformative change. The support is particularly focused on empowering women- and youth-led MSMEs in the sectors of social entrepreneurship, sustainable agriculture, circular economy and eco-tourism.	Cassa Depositi e Prestiti (CDP) is the leading financial institution, extends credit lines to local financial institutions, including Microfinance Institutions (MFIs), to facilitate on-lending to MSMEs under favourable terms.	Thanks to EU backing, eligible MSMEs can access loans with favourable conditions like: <ul style="list-style-type: none"> <li>lower interest rates,</li> <li>reduced collateral requirements,</li> <li>longer maturities,</li> <li>a combination of all of the above.</li> </ul>		
<b>Go Digital in the Western Balkans</b>			Digital transition and innovation	Green transition
Beneficiaries: Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia, Serbia	Start date: <b>December 2023</b>	Total WBIF grant: <b>€27.6 million</b>		
	Status: <b>Under implementation</b>	Estimated investment: <b>€177.6 million</b>		
The Go Digital programme supports digitalisation, automation and competitiveness of small and medium-sized businesses (SMEs) across the Western Balkans. Emphasising sustainability, a minimum of 50% of the investments will be green, and at least 30% targeted to regions beyond capital cities thus contributing to regional and rural development.	EBRD extends debt financing to SMEs through local commercial banks for qualifying investments. These credit lines are boosted by an EU-funded advisory service and cash-back incentives of up to 15% await SMEs upon successful completion and verification of investments. The incentives will prioritise high-performing technologies that are less present on the market, mitigating upfront costs.	Some of the eligible digital technologies include automated manufacturing solutions, augmented reality, e-commerce, big data and analytics, and more. Automation investments will cover manufacturing and process equipment, printing, agricultural equipment, etc.		

\* This designation is without prejudice to positions on status and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.





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### Eco-Industrial Parks in the Western Balkans - Proof of Concept

Beneficiaries: Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia, Serbia	Start date: <b>July 2023</b>	Total WBIF grant: <b>€2.5 million</b>	<b>Trade and value chain innovation</b> <b>Green transition</b>
International Finance Corporation	Status: <b>Under implementation</b>		
This is the first programme in the Western Balkans to implement the eco-industrial parks (EcolP) concept. It aims to demonstrate the feasibility of EcolPs by initiating four pilots in industrial parks in the region.	The programme has two components: <ul style="list-style-type: none"> <li>The first component - IFC will assess industrial parks in the Western Balkans. Based on predefined criteria, the four industrial parks showing the highest potential for successful transformation to EcolP will be identified. Those four parks will be as pilot case studies and begin the retrofitting process.</li> </ul>	<ul style="list-style-type: none"> <li>The second component - A series of pilot case studies designed to facilitate the implementation of the EcolP framework, including           <ul style="list-style-type: none"> <li>Lectures, workshops and training on EcolP framework implementation;</li> <li>Presenting international best practices for the transition from traditional industrial parks to eco-industrial parks;</li> <li>Presenting good examples of EcolP framework implementation from the pilot case studies.</li> </ul> </li> </ul>	

### Pilot Programme on Inclusive and Socially Responsible Procurement

Beneficiaries: Albania, Bosnia and Herzegovina, North Macedonia	Start date: <b>December 2022</b>	Total WBIF grant: <b>€2.5 million</b>	<b>Financial inclusion</b>
European Bank for Reconstruction and Development	Status: <b>Under implementation</b>		
This programme will help the private sector across the Western Balkans implement Inclusive and Socially Responsible Procurement (ISRP). The concept will be piloted at a regional solid waste investment in North Macedonia.	The programme has two components: <ol style="list-style-type: none"> <li>Policy mapping for North Macedonia, Albania, and Bosnia and Herzegovina will be carried out. This also includes the development of template contracts to integrate ISRP into procurement processes.</li> <li>Training, design and implementation of ISRP for the chosen investment project will follow. As a result, the Programme is expected to develop the skills and</li> </ol>	employment opportunities for currently underrepresented groups in the North Macedonian solid waste sector. A comprehensive monitoring, evaluation and learning strategy will enable partners to draw lessons from the pilot and inform plans to replicate the approach on future investments under the WBIF.	

### Structural Reform Facility - Competitiveness Policy Priorities for Western Balkans

Beneficiaries: Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia, Serbia	Start date: <b>December 2023</b>	Total WBIF grant: <b>€3 million</b>	<b>Digital transition and innovation</b>
European Bank for Reconstruction and Development	Status: <b>Under implementation</b>		
EBRD will develop and implement a comprehensive policy programme to enhance the competitiveness of the private sector, including MSMEs, within the framework of the Structural Reform Facility - Competitiveness Policy Priorities for Western Balkans.	The Programme is structured in two phases: <ol style="list-style-type: none"> <li>The development of Competitiveness Policy Priorities (CPP) reports which assess key growth opportunities and barriers in the private sector and provides recommendations for policy measures,</li> </ol>	<ol style="list-style-type: none"> <li>The implementation of a set of remedial policy actions to address identified gaps and improve regulatory frameworks, institutional strength and the overall business environment at country and regional level, following the CPP's recommendations.</li> </ol>	

### European Fund for Southeast Europe (EFSE)

Beneficiaries: Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia, Serbia	Start date: <b>June 2006</b>	Total EU grant: <b>€101.9 million</b>	<b>Financial inclusion</b> <b>Sustainable agriculture</b>
EIF  KfW	Status: <b>Under implementation</b>	Estimated investment: <b>circa €3.3 billion</b>	
Discover opportunities with the European Fund for Southeast Europe (EFSE), a driving force for micro and small enterprises (MSEs), farmers and private households. EFSE empowers through finance, offering microfinancing via local commercial banks, microfinance institutions, and non-bank entities.	It's not only about funding. A dedicated Development Facility strengthens local financial intermediaries, fortifies financial sectors, and bolsters resilience. The Entrepreneurship Academy partners with local incubators and accelerators, to provide training, resources, mentoring, networking opportunities, and more.	<p>About EFSE:</p> <p>EFSE was initiated in 2005 by KfW Development Bank, supported by the German Federal Ministry for Economic Cooperation and Development (BMZ) and the European Commission (EC). The EFSE mission is to ignite economic development and enhance lives in Southeast Europe and the Eastern Neighbourhood Region. As a pioneering public-private partnership, EFSE pools resources for enduring impact.</p> <p>For more information about the European Fund for Southeast Europe, please visit: <a href="http://www.efse.lu">www.efse.lu</a></p>	

### Green for Growth Fund (GGF)

Beneficiaries: Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia, Serbia	Start date: <b>December 2009</b>	Total EU grant: <b>€68.6 million</b>	<b>Green transition</b> <b>Financial inclusion</b>
EIF  KfW	Status: <b>Under implementation</b>	Estimated investment: <b>circa €460 million</b>	
Experience the force of change with the Green for Growth Fund (GGF), a pioneer in financing energy efficiency and renewable energy ventures undertaken by micro, small, and medium-sized enterprises (MSMEs) and households. GGF empowers by providing funds through local financial institutions or direct investments into qualifying projects and companies.	The commitment doesn't stop at finance. The GGF Technical Assistance Facility is here to share know-how and technical expertise, ensuring the success of investments.	<p>About GGF:</p> <p>The Fund was launched in 2009 by the European Investment Bank (EIB) and the German Development Bank (KfW) with the backing of the German Federal Ministry for Economic Cooperation and Development (BMZ) and the European Commission (EC). GGF currently operates in 19 markets, including the Western Balkans, and is dedicated to combatting climate change, promoting economic growth, and fostering a sustainable future.</p> <p>For more information about the Green for Growth Fund, please visit: <a href="http://www.ggf.lu">www.ggf.lu</a></p>	





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## Enterprise Expansion Fund (ENEF) II

Beneficiaries: Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia, Serbia

Start date:  
**December 2021**

Total EU grant:  
**€30 million**



Status:  
**Under implementation**

Estimated investment:  
**€75 million**

The Enterprise Expansion Fund (ENEF) is an equity fund that catalyses the expansion of local small and medium-sized enterprises (SMEs) and high-potential mid-caps in the Western Balkans. Focusing on providing equity, quasi-equity and debt financing, ENEF II provides the financial boost needed for small businesses to grow and expand. Launched in December 2021, supported by the European Commission, EBRD and other development finance institutions, up to €75 million is expected to be available.

ENEF II goes beyond financing, by providing extensive pre- and post-investment support. Success is more than numbers, so support is given to identifying and addressing Environmental, Social and Governance (ESG) risks and opportunities for businesses.

*ENEF: a proven legacy*  
*The journey began in 2014 with the launch of the Enterprise Expansion Fund (ENEF) under the Western Balkans Enterprise Development and Innovation Facility (WB EDIF), backed by an initial capital of €48.5 million. Guided by the European Bank for Reconstruction and Development (EBRD), ENEF I successfully invested in 16 companies by July 2020.*

Financing and financial diversification

## WB EDIF Guarantee 4 SME Resilience

Beneficiaries: Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia, Serbia

Start date:  
**June 2022**

Total guarantee coverage:  
**up to €60 million**



Status:  
**Under implementation**

Estimated investment:  
**circa €700 million**

The Guarantee4SME Resilience empowers micro, small and medium-sized enterprises (MSMEs) with improved access to affordable finance. By sharing the risks with commercial banks, the guarantee is dedicated to supporting smaller SMEs, with a minimum 25% allocation to micro-businesses.

Thanks to EU backing, eligible MSMEs can access loans with favourable conditions like:

- lower interest rates,
- reduced collateral requirements,
- longer maturities,
- a combination of all of the above.

*Launched in June 2022 in the wake of the COVID-19 pandemic and the ongoing energy crisis; this initiative aids MSMEs in bolstering their resilience while progressing towards a more sustainable, low-carbon economy.*

Financial inclusion  
Financing and financial diversification

## Western Balkans Regional SME Competitiveness Support Programme

Beneficiaries: Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia, Serbia

Start date:  
**December 2017**

Total EU grant:  
**€30 million**



Status:  
**Under implementation**

Estimated investment:  
**€170 million**

Sharpen small and medium-sized enterprises' (SMEs) competitive edge with the SME Competitiveness Support Programme. This initiative empowers SMEs in the Western Balkans to excel in the EU market by meeting environmental protection, occupational health and safety, and product quality and safety standards.

The European Bank for Reconstruction and Development (EBRD) offers debt financing through local commercial banks for qualifying investments. These credit lines are boosted by an EU-funded advisory service ensuring businesses are well-equipped to meet stringent standards. Cash-back incentives of up to 15%, await SMEs upon successful completion and verification of investments.

*For more information about the SME Competitiveness Support Programme, please visit: [web-sme-csp.com](http://web-sme-csp.com)*

Green transition  
Trade and value chain innovation

## Advice for Small Business

Beneficiaries: Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia, Serbia

Start date:  
**December 2019**

Total EU grant:  
**€15 million**



Status:  
**Under implementation**

Empower small and medium-sized enterprises (SMEs) with the transformative Advice for Small Businesses initiative. It offers comprehensive advisory services spanning strategy and operations to quality management, financial reporting, energy efficiency and beyond.

The programme operates through a network of local consultants and international experts, accessing cutting-edge best practices. The mission is clear – equip small businesses in the Western Balkans with the tools to enhance their business performance and sharpen their competitive edge.

*For more information about Advice for Small Businesses, please visit: <https://www.ebrd.com/small-business-support/advice-for-small-businesses.html>*

Multi-thematic

