

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 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. In order to unlock the potential of the private sector, increased EU financing is made available in the form of grants through blending and guarantees under the Western Balkans Guarantee Facility (EFSD+). This reinforces open, innovative, business friendly eco-systems based on a triple helix model of innovation.



September 2024

Since 2009

EU financing

€617 m

Estimated investment

€6.8 bn

Economic and Investment Plan for the Western Balkans 2021-2027

Flagship 9

Competitiveness of the private sector



Innovation Agenda

The Agenda on Innovation, Research, Education, Culture, Youth and Sport proposes actions that contribute to the region's economic and societal development through increased cooperation and investments on innovation.

Key results since 2009



→ 390,960 SMEs supported



→ 1,092,600 jobs supported and/or sustained



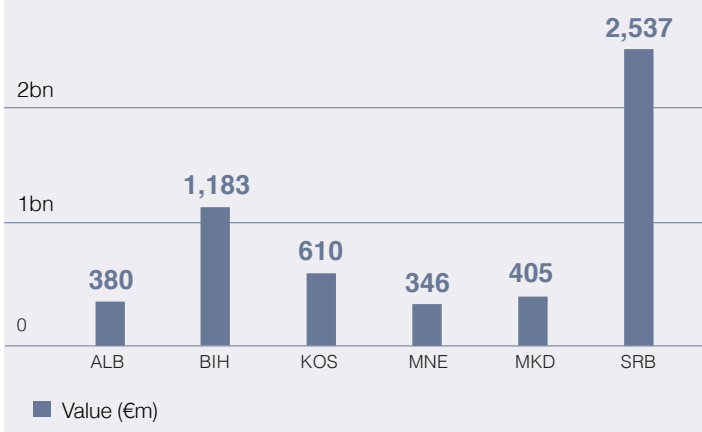
→ 1.4m MWh/pa energy savings
→ 425,000 tCO₂/pa emissions reduced

Western Balkans Guarantee Facility

The EFSD+ Open Access Guarantee mitigates the risks perceived by the private sector in investing. It seeks to increase the investment capacity of the region across six thematic areas:

- Micro, Small and Medium Enterprises
- Connectivity: Energy, Transport and Digital
- Sustainable Agriculture, Biodiversity, Forests and Water
- Sustainable Cities
- Sustainable Finance and Impact Investing
- Human Development

Total financing by beneficiary



Private sector guarantees

Guarantees

10

Guarantee coverage

up to €408 m

EU technical assistance grant

up to €19.4 m

Flagship investments examples

September 2024

Flagship 9 Competitiveness of the private sector

Innovation and Green Transformation Facility



The Innovation and Green Transformation Facility supports innovative small and medium-sized enterprises (SMEs) and Mid-Caps and their green investments in the Western Balkans. At least 70% of the Facility will be dedicated to investments in innovative products and processes, research, development and innovation (RDI), and companies driven by innovation. The remaining 30% will be allocated to investments in climate change mitigation, primarily in agriculture, adaptation, and other green projects. At least 80% of the final beneficiaries will be SMEs, with the remaining 20% being Mid-Caps.

WBIF EU grant	€18.7 m
Estimated loans (EIB and PFIs)	€300 m
Estimated investment	€318.7 m

Promoting Green Lending in the Western Balkans (II)



The programme replenishes the already established Green for Growth Fund (GGF) that is active since 2009. GGF supports investments in energy efficiency and renewable energy by MSMEs and households through financial intermediaries and direct investments. The proceeds of the €20 million capital increase in the form of C-shares, accompanied by €4 million in technical assistance will build up and expand the supply of effective financing for renewable and efficient energy measures in the region and contribute to a reduction of energy consumption and greenhouse gas emissions among end-borrowers.

WBIF EU grant	€24 m
Equity	€201 m
TA private investors	€6 m
Estimated investment	€231 m

SME Go Green Programme in the Western Balkans



Building on the EBRD's extensive experience supporting SMEs to finance green technologies, the Go Green Programme will provide an estimated €120 million of on-lend financing to around 3,400 SMEs for investments in climate-smart solutions. The EU grant financing aims to scale-up green economy investments, including energy efficient, resource efficient and renewable energy investments among SMEs, contributing to the reduction of greenhouse gas emissions and providing a demonstration effect in the market.

WBIF EU grant	€25 m
EBRD loan	€120 m
Estimated investment	€145 m