



PRIVATE SECTOR DEVELOPMENT



SECTOR SUMMARY

Private Sector Development (PSD) is the backbone of Western Balkan economies and plays a key role in economic convergence and EU accession. As in most transition economies placed under fiscal strain at national level and limited creditworthiness for all but the largest cities, small and medium-sized enterprises (SMEs) suffer from low competitiveness, difficult access to financing, lack of skills, and poor integration into global supply chains. The focus is on improving access to financing and business support to SMEs through the Western Balkans Enterprise Development and Innovation Facility (WB EDIF), a joint initiative of the EU, financial institutions, bilateral partners and public institutions in the Western Balkans.

The WBIF has also financed the EPEC initiative promoting work with key Public-Private Partnership (PPP) bodies in the region in order to increase their capacity to identify, prepare and implement PPP projects.

WBIF EDIF

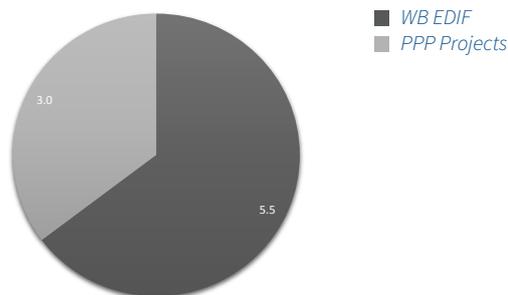
Originally, WB EDIF was established by a WBIF decision as a dedicated platform for private sector development, with separate governance structure and coordination. In December 2019, at the 21st WBIF SC meeting, WB EDIF was reintegrated under the governance and coordination structure of WBIF, preserving its own decision-making.

WB EDIF provides support through four complementary pillars. These are:

1. SME Equity financing which offers two equity funds aimed at early stage innovative companies (the Enterprise Innovation Fund) and established enterprises in their expansion phase (Enterprise Expansion Fund);
2. SME Loan Guarantee, focused also on youth employment, supporting local banks in developing SME business with risk sharing reducing costs of loans;
3. SME Lending, providing dedicated credit lines with a grant element;
4. Policy and advisory services to support the entrepreneurial capacity and boost the business ecosystem.

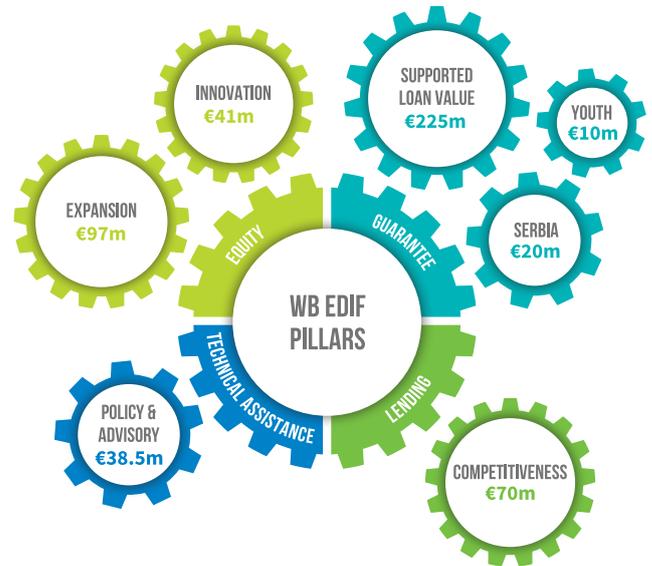
WBIF GRANTS BY SECTOR

Private sector subsectors (€m)



Western Balkans Investment Framework **WBIF**
BUILDING THE EUROPEAN FUTURE TOGETHER

ACHIEVED RESULTS

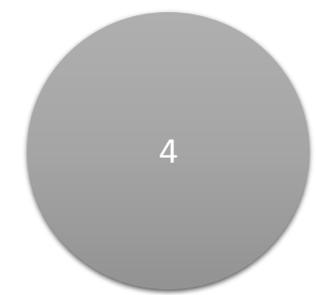


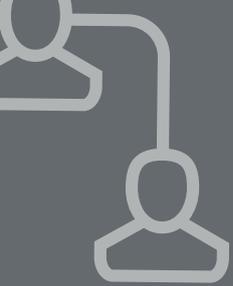
WBIF GRANTS BY BENEFICIARY

Value of grants (€m)



Number of grants





PRIVATE SECTOR DEVELOPMENT



SME in focus: Koshi Group L.L.C, Kosovo



Koshi Group L.L.C. is a Prizren-based manufacturer of carbon fibre components, led by Shkamb Koshi, a young entrepreneur with over 10 years of experience in the automotive industry, which he gained in Italy. Although Koshi's key business area is the automotive sector, the company is expanding its manufacturing to target medical and fashion industries with materials made from Kevlar honeycomb. Today, the company exports all its products to EU markets and its client portfolio includes prestigious companies, such as Fiat, Abarth, Alfa Romeo, Ferrari and Porsche. Since its launch, Koshi has demonstrated a track record in increasing turnover year-to-year, capping at €65,000 in the first year and reaching €727,973 in its fourth year of operation. Building on these revenue increases, coupled with an increasing demand, Koshi devised a plan to boost its production capacity and offer better working conditions to its employees. In 2018, the company received business advice supported by the EBRD and the EU through the WB EDIF, which helped it establish a new production plant in line with European standards. A consultant was hired to work one-on-one with the company on everything from creating an architectural plan to planning for the investment. As a result of the project, the company was granted a construction permit from the Municipality of Prizren. Going forward, the management is considering receiving further advisory support for the implementation of a quality management system based on ISO.



Example of company product (C) EU



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