

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.



March 2024

Since 2009

EU financing

€578m

Estimated investment

€6.2bn

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.

Achieved results since 2009



→ 343,000 MSMEs supported



→ 885,000 jobs supported and/or sustained



→ 1.3m MWh/yr energy savings
→ 400,000 t CO₂ 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 €408m

EU technical assistance grant

up to €19.4m

Flagship investments examples

March 2024

Flagship 9 Competitiveness of the private sector

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 **€24m**

Equity **€201m**

TA private investors **€6m**

Estimated investment **€231m**

SMEs Go Green Programme



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 **€25m**

EBRD loan **€120m**

Estimated investment **€145m**

Guarantee4SME Resilience



The Guarantee4SME Resilience has been launched to increase the availability of affordable finance to micro-, small and medium-sized businesses in non-carbon intensive sectors. It guarantees financial intermediaries coverage of up to €60 million and is expected to leverage five times this value. It will help strengthen the capacity of micro-, small and medium-sized businesses, making them more resilient while supporting the efforts to move towards a more sustainable, low-carbon economy.

Guarantee coverage (up to) **€60m**

Lead IFI **EIF**

Expected funding made available **€700m**