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# Overview of WBIF support to the Private Sector – WBIF Blending and the Western Balkans Guarantee facility (EFSD+)





# Agenda

**Overview of the WBIF**

**WBIF Private Sector Blending**

**The Western Balkans Guarantee Facility (EFSD+)**

**Communication, Visibility and Working together**



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# WBIF in a Nutshell



# Overview of the WBIF

## Western Balkans beneficiaries

	N° of projects	Estimated value of projects	Value of loans signed	Value of WBIF grants
Albania	40	€2.9bn	€658m	€342.5m
Bosnia and Herzegovina	30	€4.6bn	€1.9bn	€725.6m
Kosovo*	30	€1.7bn	€328m	€239.8m
Montenegro	20	€1.8bn	€250m	€177.5m
North Macedonia	26	€2.6bn	€673m	€419.2m
Serbia	45	€7bn	€2.8bn	€451.8m

- Started in 2009
- Joint initiative of the EU, Bilateral Donors, IFIs/DFIs, and beneficiary economies.
- Participation (observers) Transport Community, the Energy Community, the Regional Cooperation Council and the WB6 Chamber Investment Forum.
- European Western Balkans Joint Fund combines EC and Bilateral Donors funding.

## Bilateral Donors contributions to European Western Balkans Joint Fund 2009 – 2022

(as of 5 December 2022)

### Active Bilateral Donors

Austria	€19.9m
Croatia*	€2.0m
France	€2.1m
Germany	€18.4m
Italy	€10.3m
Luxembourg	€2.0m
Norway	€30.4m
Poland	€1.5m
Slovenia	€1.0m
Sweden	€23.3m

### Former Bilateral Donors

Czech Republic	€2.0m
Finland	€0.5m
Greece	€0.5m
Hungary	€0.3m
United Kingdom	€5.3m
Transfer from EBRD Fund	€5.2m

\*Contribution effected in January 2023

Bilateral Donors contributions  
2009 - 2022

€124.7m

	No. of projects	Grants as Lead IFI	Loans signed	Estimated project value
European Investment Bank	57	€1.1bn	€2.9bn	€11.3bn
European Bank for Reconstruction and Development	74	€1.1bn	€2.1bn	€9.2bn
CEB	15	€69m	€624m	€903m
KfW	47	€306m	€1bn	€2.8bn
WORLD BANK GROUP	17	€22m	€424m	€426m
AFD	4	€2m	—	€107m

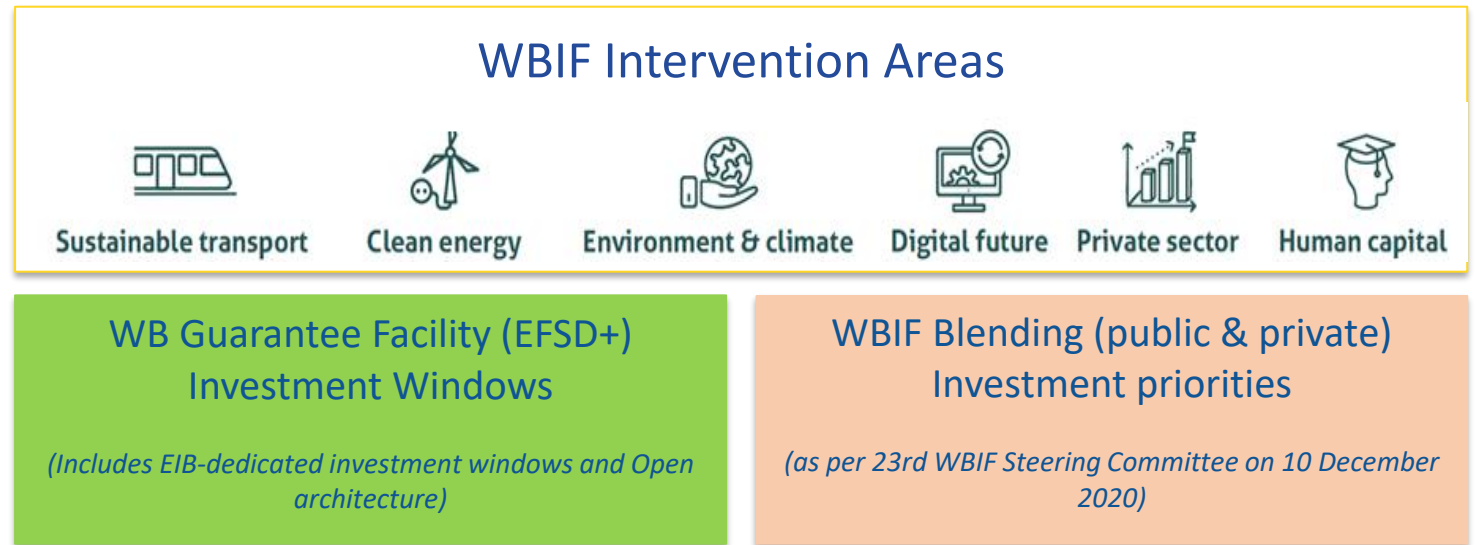
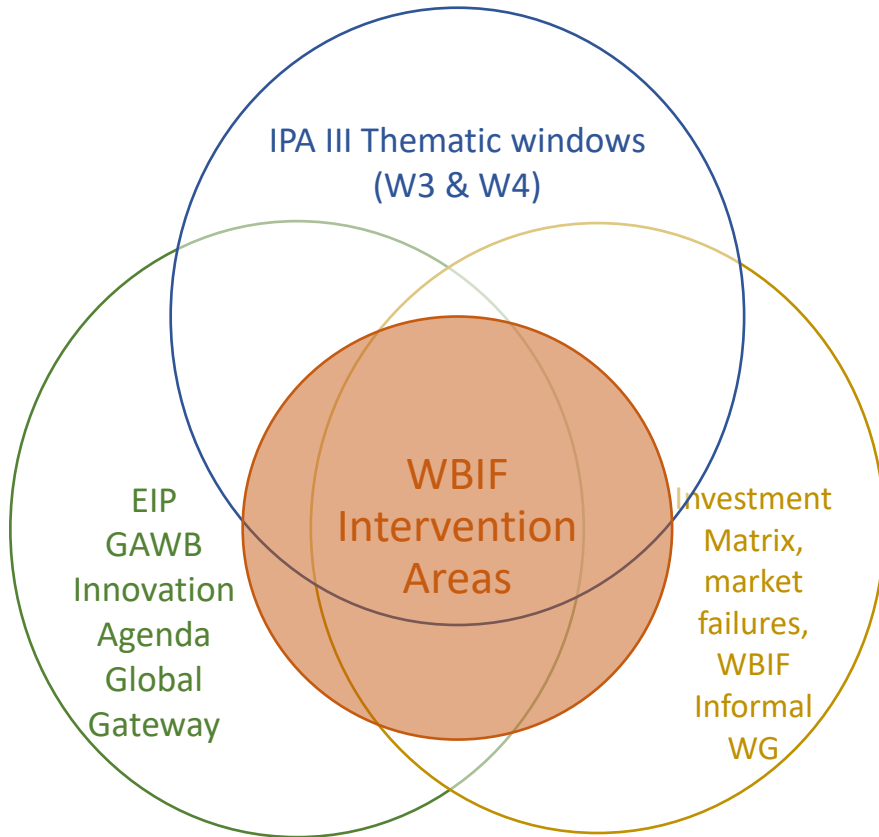


# IPA III policy priorities

- IPA III main guiding principle: **‘policy first principle’** for investments.
- Economic and Investment Plan
  - Adopted by the COM in Oct. 2020;
  - Identifies **8+1 areas and 10 investment flagships**.
- Green Agenda for the WB
  - Embedded in the EIP and endorsed by the WB leaders at Sofia Summit;
  - Identifies **5 main areas of intervention**.
- WB Agenda on Research, Innovation, Education, Culture, Youth and Sports
  - Focus on **Human Capital, Digital Transformation & Green Deal**;
  - Supporting association to all EU programmes.
- 3 Overarching Priorities: **Global Gateway, Green Deal and Jobs and Growth**

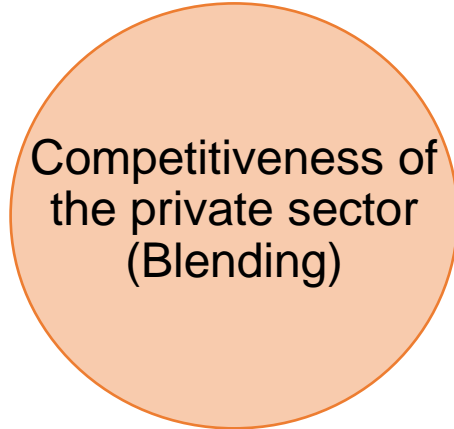


# The WBIF Intervention Areas – Policy 1st Approach





# WBIF Private Sector & Guarantees areas



- Green investments in MSMEs
- Sustainable Agriculture
- Innovation and digital transition

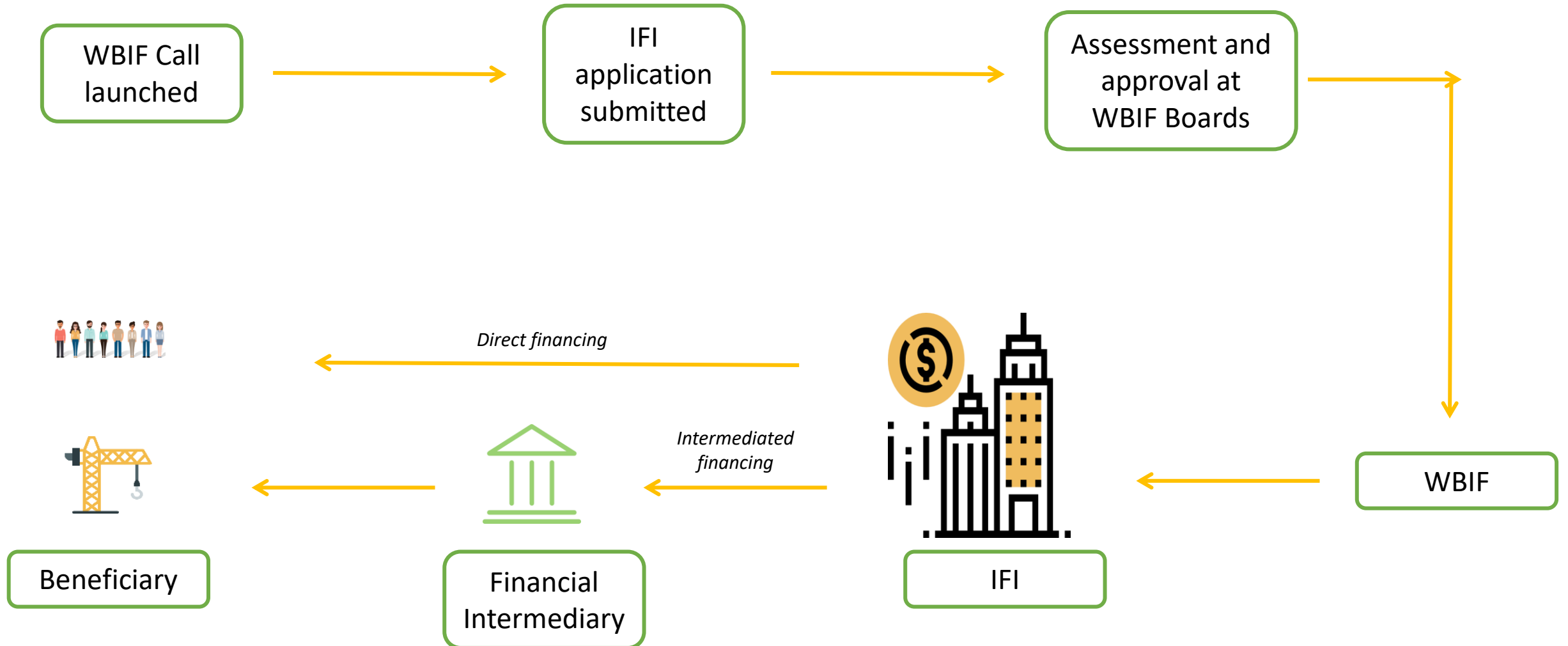
- Trade & Value Chain
- Financial inclusion
- Financial & financing diversification

- Connectivity – Sustainable Energy, Transport, Digital
- MSME financing
- Sustainable finance

- Agriculture, Biodiversity, Forestry, and Water
- Sustainable Cities
- Human Development



# How does WBIF work?

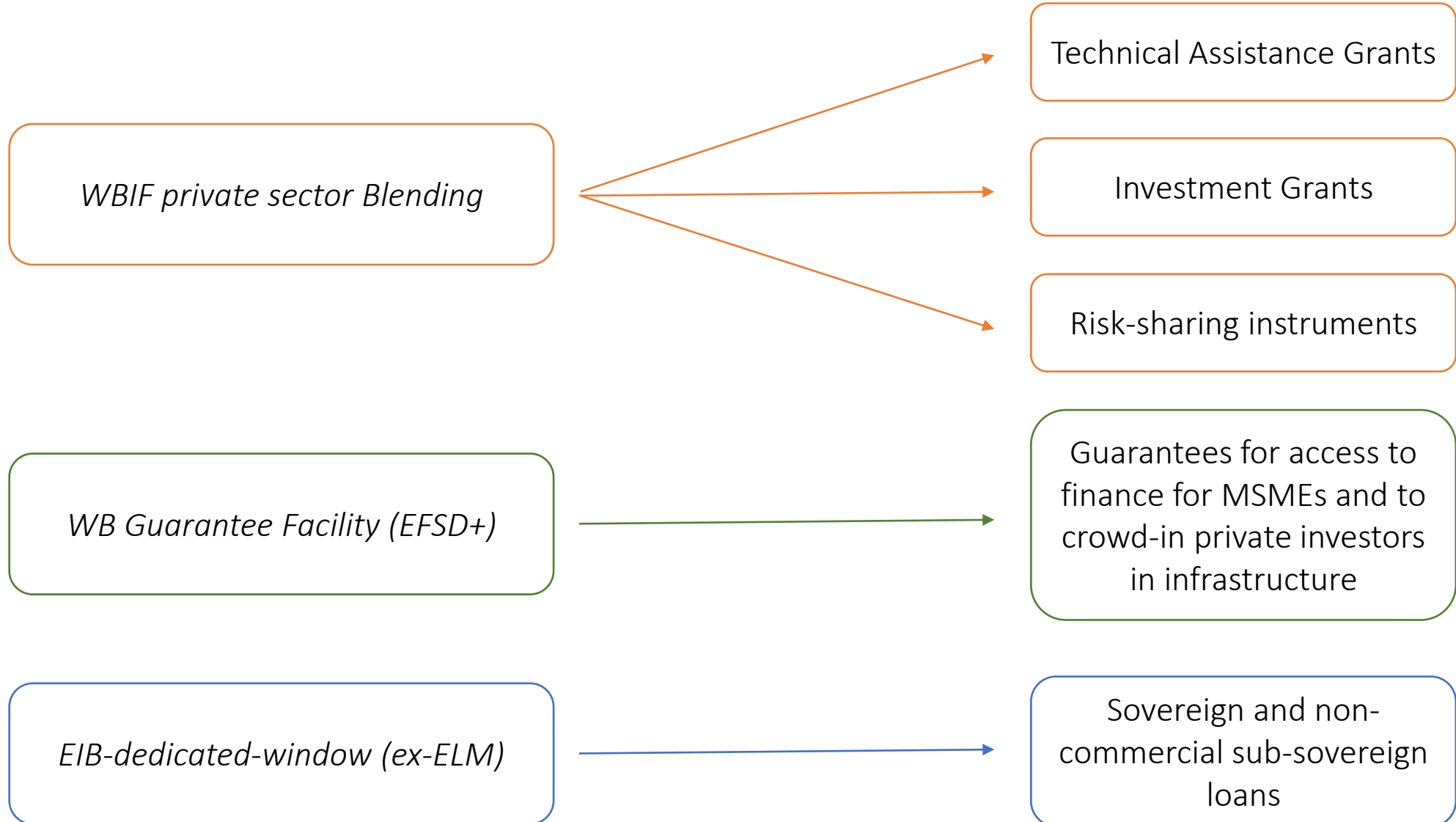






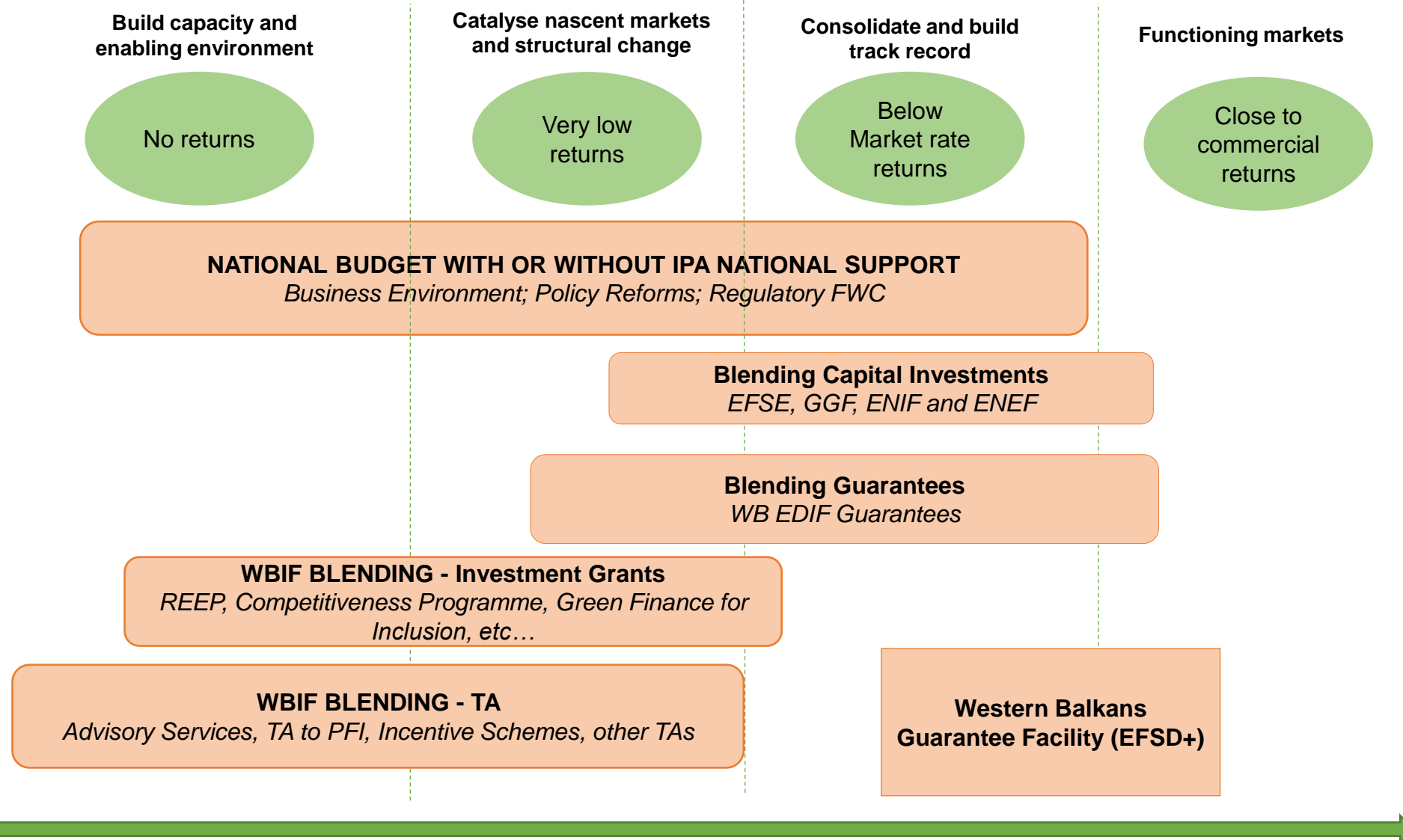
# WBIF toolbox of existing instruments

**WBIF**





# Where to use which instrument?





# WBIF Private Sector Blending



# Consolidation of WBIF Private Sector Blending



2006: European Fund for Southeast Europe (EFSE)



2009: Green for Growth Fund (GGF)



2012: Western Balkans Enterprise Development and Innovation Facility (WB EDIF)



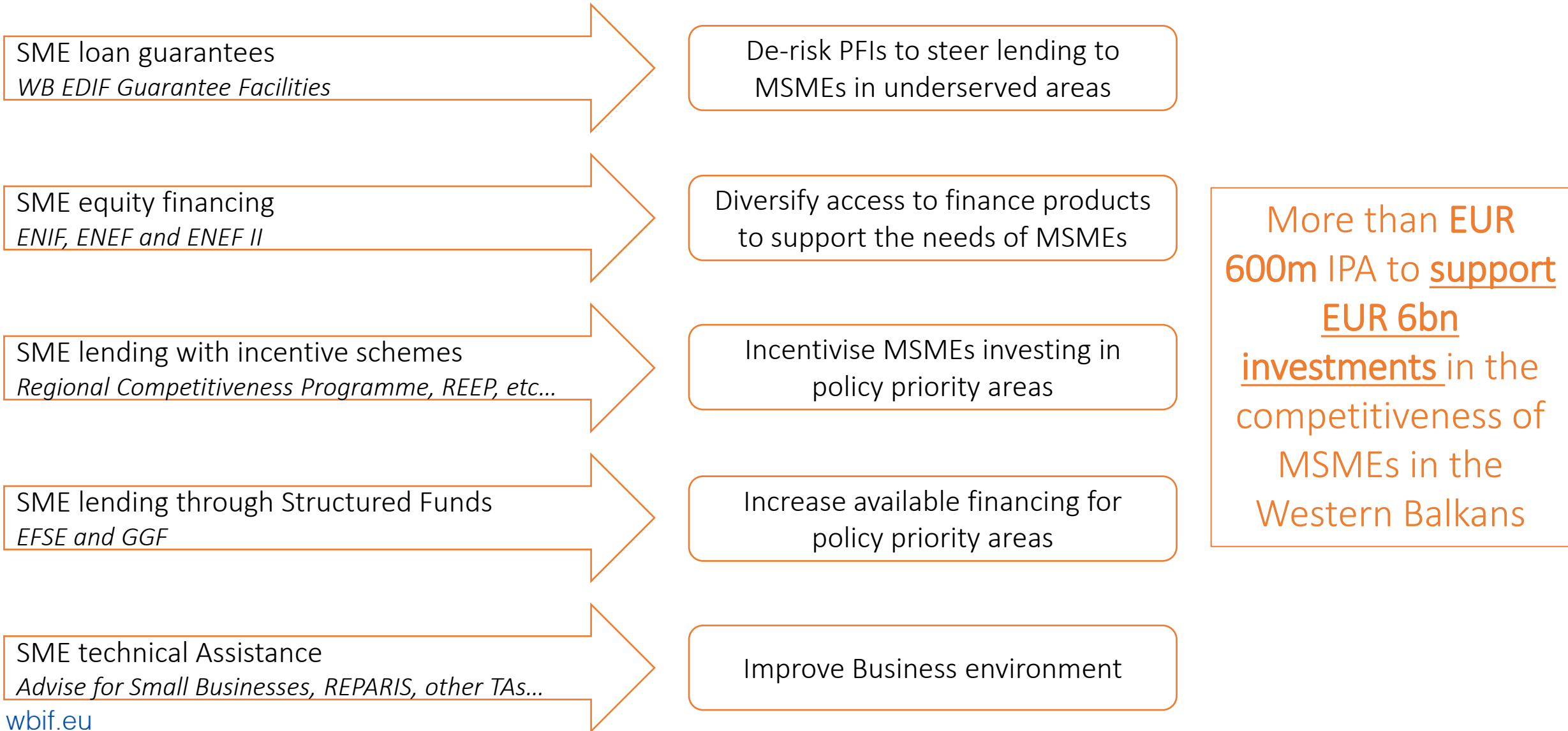
2013: Regional Energy Efficiency Programme (REEP)



## WBIF Private Sector Blending



# WBIF Private Sector ongoing programmes





# WBIF Private Sector annual calls

## Outcome of the 1<sup>st</sup> Call (2022):

Title	Sector	Lead IFI	Grant (€)	Estimated Investment
SME Go Green Program	Access to finance – green sustainable agri-business	EBRD	EUR 25 M	EUR 145 M
WB Climate Program	Access to finance – green climate, green bonds, local currency	IFC	EUR 17 M	EUR 200 M
Green Finance for Inclusion	Access to finance – green sustainable agriculture	CDP	EUR 10 M	EUR 50 M

## Outcome of the 2<sup>nd</sup> Call (2023):

Title	Sector	Lead IFI	Grant (€)	Estimated Investment
GGF: Promoting Green Lending in the Western Balkans (II)	Access to finance – energy efficiency and renewables	KfW	EUR 24 M	EUR 231 M
Sustainable Access to Finance for Entrepreneurship - SAFE	Access to finance – financial and social inclusion	CDP	EUR 10.4 M	EUR 40 M
Go Digital in the Western Balkans	Access to finance – digital	EBRD	EUR 27.6 M	EUR 177 M



# European Fund for Southeast Europe (EFSE)

- EU supported **public-private funds** fostering economic development, **financial inclusion and job creation**.
- Finance to **intermediate lending institutions** that on-lend to MSEs, incl. farmers and agro-businesses, and households.
- **TA facility building the capacity** of the ecosystem.
- Current EC trustees: **EIF and KfW**

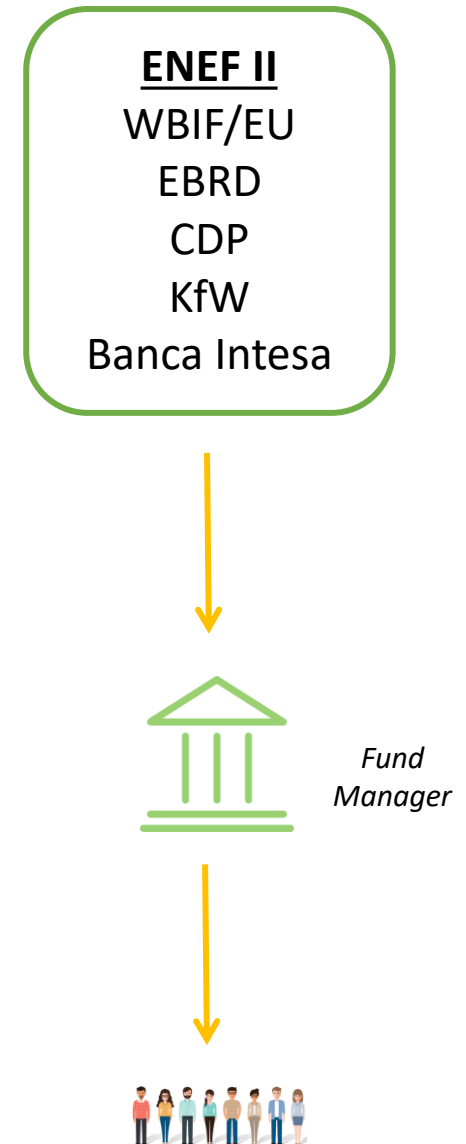
	EFSE
C-shares participation into the fund	EUR 101.5m
Grant support into the TA Facility	EUR 8m
Cumulative number of sub-loans since inception	504,471
Amount on-lent to final beneficiaries	EUR 3.2 billion
Average loan size	EUR 9,712 (95% below EUR 20,000)





# Enterprise Expansion Fund II (ENEf II)

- ENEf II is a private equity fund targeting an investment portfolio comprising of expansion-phase enterprises, in the Western Balkans.
- It provides a wide range of instruments, including equity, quasi-equity and tailor-made debt financing.
- Investment portfolio: > EUR 70m for 15-25 SMEs (invest. EUR 0.5-8m).
- TA to support, identification, preparation of companies for investment and capacity building post investment (e.g. ESG strategy).







# Western Balkans Guarantee Facility (EFSD+ guarantee)



# EU Blending and EFSD+ Guarantee

## EU Blending

### Main Features

- Cash based support
- Approval at operation level
- Country/Regional based solutions
- Non-priced + Fees

## EFSD+ Guarantee

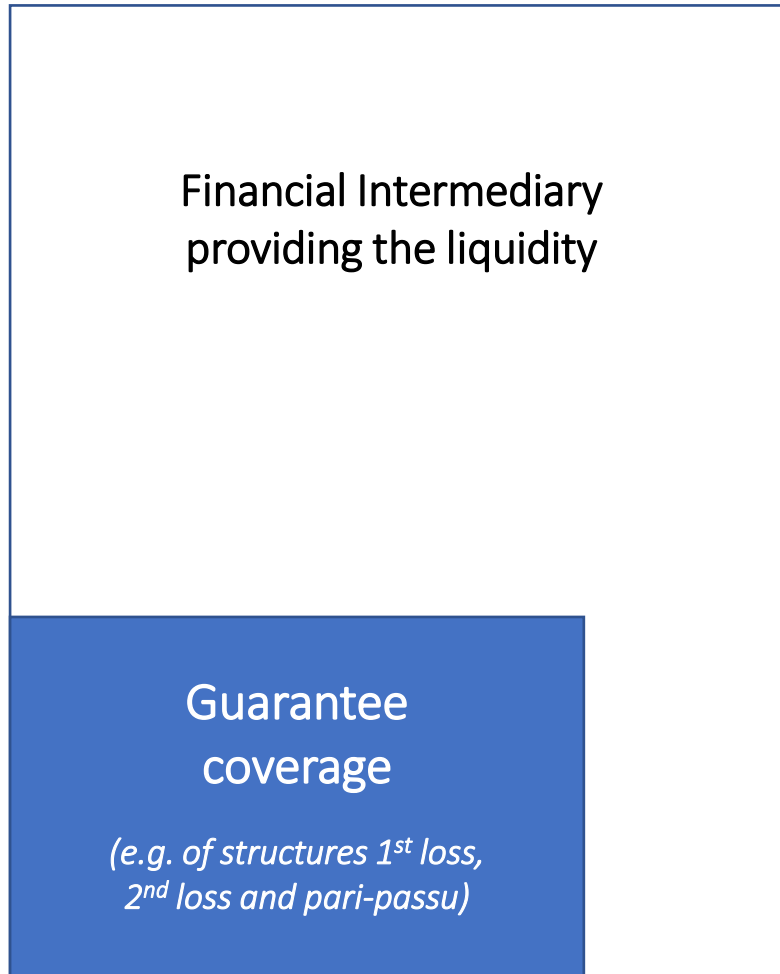
### Main Features

- Unfunded Support (cash disbursed upon calls)
- Portfolio approach with sector-based “investment windows”
- Multi-Country/Region
- Priced

- Not “business as usual” – new portfolio based on eligibility criteria and additionality transferred to end-beneficiaries
- Sharing the risks and losses through partial guarantee coverage (aligning interests)
- Premium to be paid to benefit from the guarantee (similar to insurance)
- Unconditional, irrevocable guarantee on first demand
- Comprehensive set of risk coverage: commercial, political, currency risk
- Provided at concessional level based on impact criteria



# Characteristics of the Guarantees



- Not “business as usual”
  - New portfolio aligned with the eligibility criteria set
  - Additionality to be transferred to end beneficiaries (e.g. MSMEs, project).
- Sharing the risks and losses
  - Partial guarantee coverage
- Premium to be paid to benefit from the guarantee (similar to insurance)



# Access to finance for MSMEs

Financial Intermediary  
portfolio of loans to MSMEs

Guarantee  
coverage

*(e.g. of structures 1<sup>st</sup> loss,  
2<sup>nd</sup> loss and pari-passu)*

- Eligible intermediaries:
  - Commercial Banks, Microfinance Institutions, National Guarantee Schemes, Leasing Companies, Investment Funds.
- Products offered:
  - Investment and Working Capital loans, equity, leasing, factoring.
- Eligible final recipients:
  - Broad range of MSMEs, start-ups, self-employed, social enterprises, farmers & agri-businesses, women and youth-led businesses, investments in innovation, green technologies, EE, digitalisation, trade, etc...



## Direct investments

- Corporate or project loans (IFIs and co-financiers)
- Other forms of structured debt financing
- Direct long-term finance to certain sub-sovereign counterparts
- Green bond subscriptions

## Intermediated financing

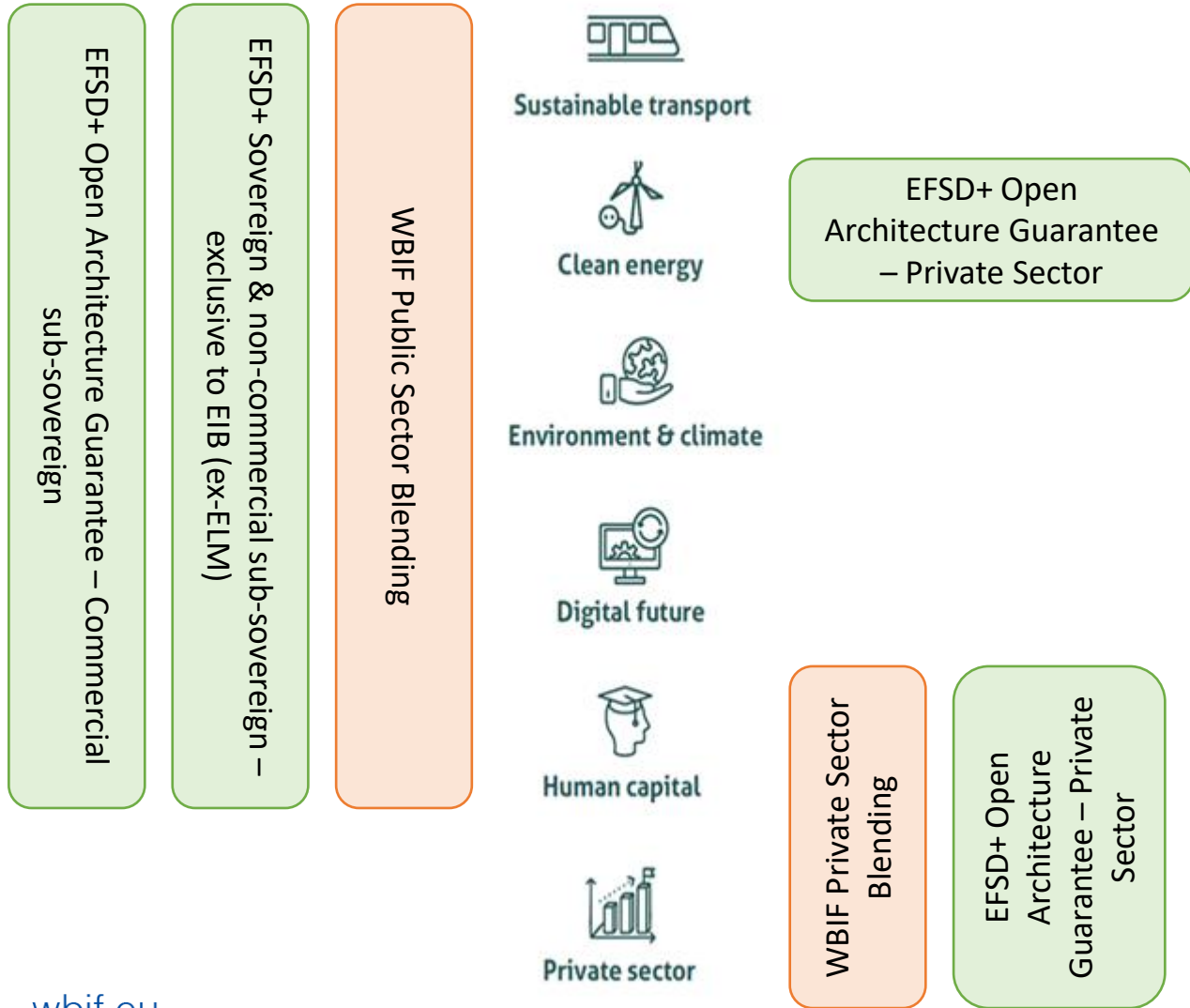
- Investments through PE funds, infra funds managed, amongst other, by local fund managers
- Credit lines and risk sharing with commercial banks

## Eligible final recipients

- Private project promoters, corporates, private sector operators, etc.
- PPPs, local authorities, utility companies, public enterprises, etc.



# WBIF Intervention Areas and Instruments



**EFSD+ Sovereign & non-commercial sub-sovereign – exclusive to EIB (ex-ELM)**

Beneficiary: Government and entities fully backed by state unable to finance themselves in market.

Examples: Large infrastructure projects (e.g. metro, hospital, port)

**EFSD+ Open Architecture Guarantee – Commercial sub-sovereign**

Beneficiary: Public entity able to get finance in the market.

Examples: Loan to public water/sanitation company, upgrading capacity of national electricity company.

**EFSD+ Open Architecture Guarantee – Private Sector**

Beneficiary: wide range of private sector companies (e.g. SMEs to larger corporates).

Examples: SME credit line, renewable energy project



## Summary

### 21 guarantees for the Western Balkans

out of which:

- 17 new EFSD+ guarantees for the 1<sup>st</sup> EFSD+ Call for PIPs
- 3 carry-forward EFSD+ guarantees
- 1 WB EDIF (non-budgetary) guarantee



amounting :

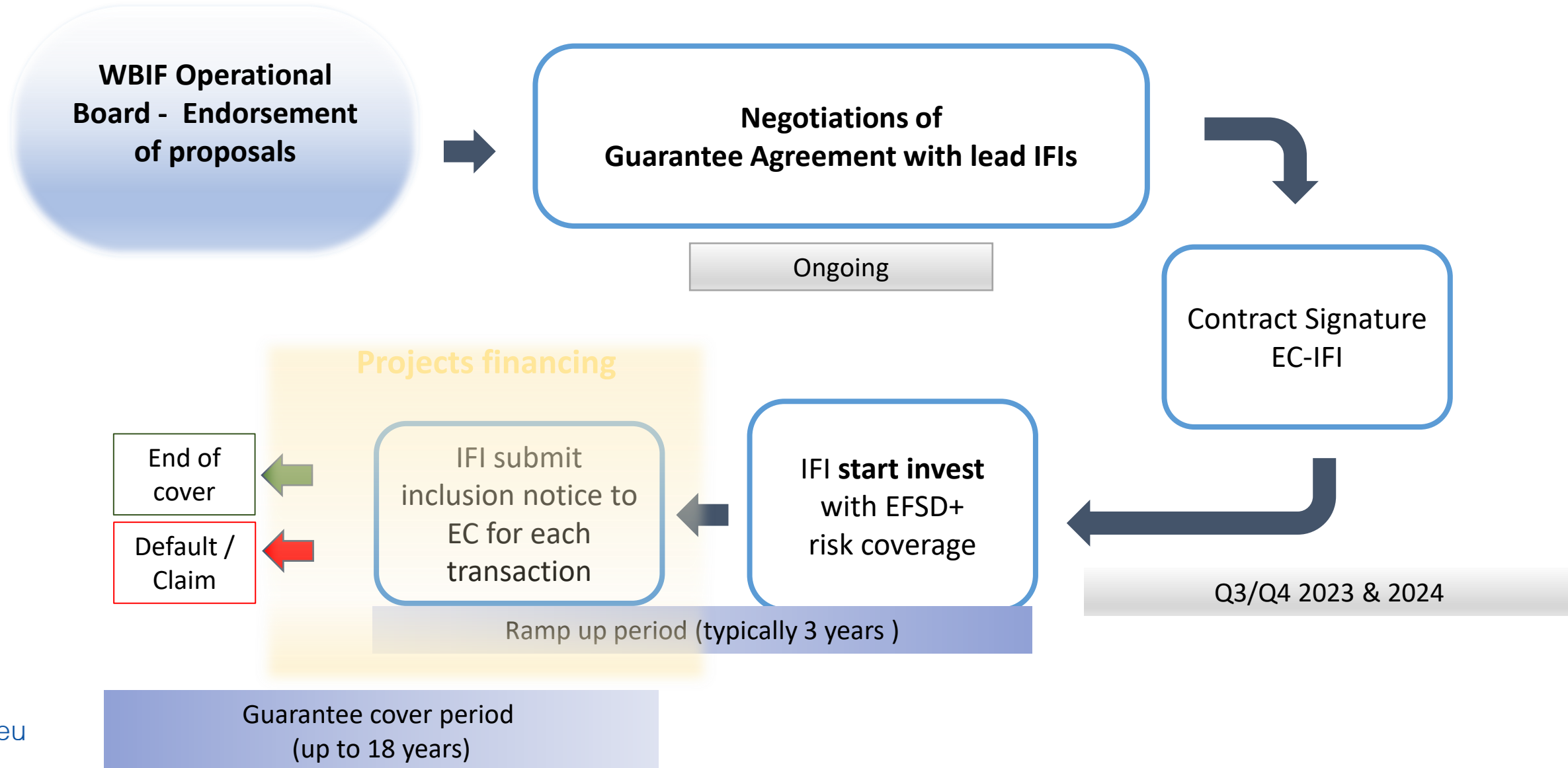
Up to EUR 936.8m Guarantee Coverage

and

Up to EUR 47.7m Technical Assistance



# EFSD+ Governance - from the Board to the investment







# Areas covered by WB Guarantee Facility 1<sup>st</sup> call

Key themes	EFSD+ programmes	Guarantee products ( examples)
<p><b>Access to finance for MSMEs</b>  <i>(AREAS: green investments, sustainable agriculture, innovation, start-ups, digitalisation, trade and value chain, financial inclusion)</i></p>	<ul style="list-style-type: none"> <li>• Growth4All, EBRD</li> <li>• Risk Sharing for ESG projects, EBRD</li> <li>• MSME Access to green, growth and inclusive finance, EIB</li> <li>• EIBG Multi-thematic (uncapped guarantee) support for SMEs in the Western Balkans, EIB Group</li> <li>• Inclusive Finance for the Western Balkans, EIF</li> <li>• EIF-UNDP Inclusive Growth initiative for the Western Balkans, EIF</li> <li>• WB EDIF Guarantee 4SME Resilience, EIF (non EFSD+)</li> <li>• Western Balkans Agricultural Risk Sharing Facility, IFC</li> <li>• The MSME Guarantee Platform (MGP), KfW</li> </ul>	<ul style="list-style-type: none"> <li>• Credit guarantees through local financial institutions for new lending to target groups</li> <li>• Risk sharing of existing loan portfolios to extend new finance to target groups</li> <li>• Funded or unfunded risk sharing to support SMEs aiming to improve their ESG profile</li> <li>• Supply chain financing solutions to support SME/MidCap suppliers ( anchor buyers) to manage their working capital and improve the resilience of their supply chain</li> <li>• Equity products</li> </ul>
<p><b>Green investments in cities</b> – energy, water, transport &amp; climate action  <b>Green Transformation</b> – industry, commerce, logistics</p>	<ul style="list-style-type: none"> <li>• Financing and Accelerating the Sustainable Transition of Cities (FAST-Cities), AFD</li> <li>• Municipal, Infrastructure &amp; Industrial Resilience Programme (Resilience), EBRD</li> <li>• Better Futures Programme (BFP), IFC</li> </ul>	<ul style="list-style-type: none"> <li>• Guarantees for long-term finance to cities and municipal operators for investments in sustainable infrastructure</li> <li>• Guarantees for investments in energy efficiency and green technology transfer in industrial processes, commercial operations and buildings, greening logistics value chains</li> <li>• Investments in decarbonization, innovations and new technologies</li> </ul>

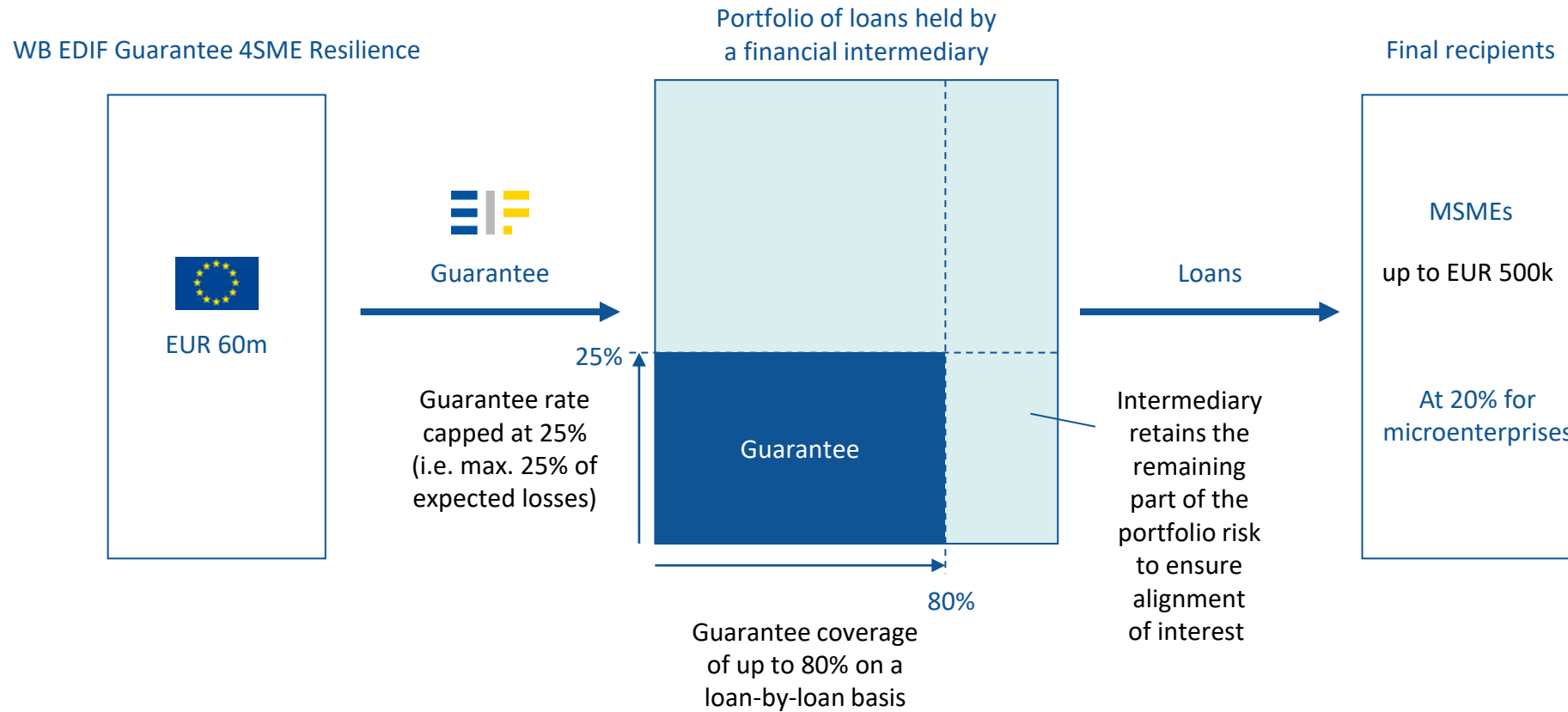


# Areas covered by WB Guarantee Facility 1<sup>st</sup> call - cont.

Key themes	EFSD+ programmes	Guarantee products ( examples)
<p><b>Connectivity</b>  <b>Renewable energy and ‘next generation’ climate technologies</b>  <b>Digital Transformation</b></p>	<ul style="list-style-type: none"> <li>• Supporting Market-Oriented Green Transformation, KfW</li> <li>• HI BAR, EBRD</li> <li>• Connectivity, EIB</li> <li>• Digital Transformation Platform, EBRD</li> <li>• Risk-sharing instrument for EE, RE and Digital projects, EIB</li> </ul>	<ul style="list-style-type: none"> <li>• Investments in RE and grid network improvements /digitalization through utilities</li> <li>• Loan guarantees for project, corporate or mezzanine finance for larger-scale RE deployment</li> <li>• Investments in new climate technologies ( green fuels, battery manufacturing and recycling ( e-mobility solutions), energy storage solutions, CCU/S, underdeveloped RE technologies , critical raw materials</li> <li>• A fund of fund structure for investments in VC/private equity or infra funds - including 1<sup>st</sup> time managers</li> <li>• Risk sharing with local banks for investments in medium-size RE, EE and digital projects etc.</li> </ul>
<p><b>Green and sustainable bonds</b></p>	<ul style="list-style-type: none"> <li>• Global Green Bond TEI, EIB (lead)</li> <li>• EBRD Credit Enhancement of Green Bonds, EBRD</li> </ul>	<ul style="list-style-type: none"> <li>• A central vehicle ( fund) with European DFIs for anchor investments in green bond issuances</li> <li>• Credit enhancement of individual innovative transactions with high demonstration effect</li> </ul>
<p><b>Investments in nature and biodiversity</b></p>	<ul style="list-style-type: none"> <li>• Carbon sinks, CDP</li> </ul>	<ul style="list-style-type: none"> <li>• Direct investments in forestry&amp;agribusinesses to develop a project ( equity)</li> <li>• Investments via private equity and carbon credit funds</li> </ul>
<p><b>Support for local currency lending</b></p>	<ul style="list-style-type: none"> <li>• EU Market Creation Facility (EUMCF), KfW</li> </ul>	<ul style="list-style-type: none"> <li>• Credit enhancement of TCX ( the Currency exchange fund for emerging markets)</li> <li>• Use of guarantee on a basket of hedges to reduce hedging costs</li> </ul>



# WB EDIF Guarantee 4SME Resilience





# Communication, Visibility and working together



# Additional Private Sector Activities

- **B2B event** held in Skopje on 5 October 2023 - planned to be held annually in the region. Next: 26 September 2024, Belgrade
- **WBIF Private Sector Webpage** - Update ongoing to reflect WBIF PS Blending and Guarantee activities
- **Interactive map** of partner FIs in the region to raise awareness among MSMEs about available funding - In preparation



# Private Sector Section of the WBIF Website

Provision of a comprehensive overview of the EU support initiatives for PS in the Western Balkans, consisting of:

- *Introduction*: outlines the mission and objectives of EU support.
- *“Highlight Data”*: summary of key figures related to EU support.
- *Latest News*: in a chronological order.
- *The Economic and Investment Plan for the Western Balkans 2021-2027*: with a link to the full text of the plan, along with key information related to blending programmes and guarantees.



## Private Sector Section of the WBIF Website - *continued*

- *Investment priorities*: a review of investment priorities along with their corresponding programs.
- *Interactive map*: to facilitate examination of opportunities within the WB.
- *Achieved results*: to showcase the outcomes and achievements of EU support initiatives in the PS.
- *Success Stories*: examples of successful projects and initiatives to demonstrate the impact of EU support.
- *Latest videos and publications*: videos and publications relevant to the Private Sector activities in the WB.



# PS Webpage Layout Overview

## Private sector

Number of projects	Investment value	Grant value	Loan value
3	€ 297,100,000	€ 8,500,000	€ 0

### Boosting the private sector competitiveness

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. That's why the Economic and Investment Plan (EIP) for the Western Balkans focuses on supporting start-ups and micro-, small and medium-sized businesses, and directing significant investments towards innovation and green growth.

Increased EU financing is made available to the private sector through blending of grants and loans, and guarantees under the Western Balkans Guarantee Facility (EFSF+). This reinforces open, innovative, business-friendly eco-systems based on a triple helix model of innovation.

Since 2020, support to the private sector development has been consolidated under WBIF Private Sector Blending to encompass several prominent initiatives, notably the Western Balkans Enterprise Development and Innovation Facility (WB EDIF), the European Fund for South East Europe (EFSE), the Green for Growth Fund (GGF) and the Regional Energy Efficiency Programme (REEP). Show hidden icons

## Investment priorities

Explore the programmes that the EU developed for MSMEs financing for each investment priority

- Green transition
- Sustainable agriculture
- Digital transition and innovation
- Trade and value chain innovation
- Financial inclusion
- Financing and financial diversification
- Crowding-in private capital

English (United States) US  
To switch input methods, press Win



## Economic and Investment Plan for the Western Balkans 2021-2027

Up to €30 billion in investments, including up to €9 billion of EU grant funding, is available under the EU's Economic and Investment Plan for the Western Balkans. Investment flagship 9 focuses on investing in the Competitiveness of the Private Sector.

[Read more](#)

## Latest News

### EU funding opportunities for private sector in Serbia

**ЕУ НЕДЕЉА МОГУЋНОСТИ**  
 БОЉИ СМО ЗАЈЕДНО  
 03-07-2023

[Read More](#)

### €1 billion Energy Support Package for the Western Balkans

14-12-2022

[Read More](#)

### Western Balkans prime ministers attend EBRD investment summit

**WESTERN BALKANS INVESTMENT SUMMIT 2022**  
 02-03-2022

[Read More](#)

## Success Stories

### North Macedonia Rio Cafe

Coffee production and retail

[Read More](#)

### Albania SPV Blue

Local renewable energy company

[Read More](#)

Lorem Ipsum Dolor

600 x 600

[Sit Amet](#)






# PS Interactive Map (under construction)

- Enables to navigate through and explore various programmes and opportunities available for the PS in the Western Balkans.
- Hovering over a selected economy a pop-up with basic data, along with information regarding Partner Financial Institutions (PFIs) are displayed.
- To enhance navigation, the map is accompanied by a Table of search options.
- The Table offers various search criteria to identify available programmes.
- Users can select the economy, priority, or Partner Financial Institution, among other options.

## Explore all investment opportunities

Overview of all active WBIF programmes for private sector and contact details for financial intermediaries benefiting from EU support in each beneficiary economy.

Use the filters below to find the best option for you.



### BOSNIA & HERZEGOVINA

Active Number of Partner Institutions: 17

Partner Institutions: **Raiffeisen Bank, UniCredit Bank, Intesa Sanpaolo, ProCredit Bank, MF Banka, NLB Banka, Sparkasse Bank, Raiffeisen Leasing, Sparkasse Leasing BH, MCC EKI, MCF EKI, MI-BOSPO, Mikrofin, Sunrise, MF Banka, MI-BOSPO, Partner**

More about available programmes: [BOSANSKI](#)

Country	Priority	GF Youth	Partner Financial Institution	
Search:		Programme Green Finance for Inclusion GF Youth Regional SME CSP GF4SME Resil. EFSE GGF SME Go Green		Clear
Country ^	Sector	Programme	Partner Financial Institution	Web Page
Albania	Financial Inclusion, Financing and financial diversification	GF Youth	Raiffeisen Bank S.A.	<a href="#">🔗</a>
Albania	Financial Inclusion, Financing and financial diversification	GF Youth	Raiffeisen Bank S.A.	<a href="#">🔗</a>
Bosnia and Herzegovina	Financial Inclusion, Financing and financial diversification	GF Youth	Intesa Sanpaolo Banka d.d. Bosna i Hercegovina	<a href="#">🔗</a>
Kosovo*	Financial Inclusion, Financing and financial diversification	GF Youth	ProCredit Bank, Kosovo	<a href="#">🔗</a>
Kosovo*	Financial Inclusion, Financing and financial diversification	GF Youth	Raiffeisen Bank Kosovo	<a href="#">🔗</a>

Showing 1 to 5 of 5 entries (filtered from 91 total entries)

« 1 »



# How can we strengthen our cooperation?





**Thank you for your attention.**





# ANNEX – LIST OF EFSD+ OPEN ACCESS GUARANTEES UNDER WBIF



# EFSD+ Guarantees under Open Architecture (1/3)

*EFSD+ Guarantees endorsed at Operational Board 4/04/2022 – carry forward under contract negotiation*

#	Title of the PIP	Lead IFI	Guarantee coverage for WB (up to)	TA allocation for WB (up to)	Comments
1	Western Balkans Agricultural Risk Sharing Facility	IFC	40m €	3m €	Carry-Forward
2	Growth4All	EBRD	40m €	3m €	Carry-Forward
3	Risk-sharing instrument for EE, RE and Digital <u>[Energy Support Package]</u>	EIB	45m €	3.5m €	Carry-Forward
<b>Total (up to)</b>			<b>125m €</b>	<b>9.5m €</b>	

*WB EDIF Guarantee (non-budgetary EFSD+) programmed in 2020 and started implementation Q4 2022*

#	Title of the PIP	Lead IFI	Guarantee coverage for WB (up to)	TA allocation for WB (up to)	Comments
4	WB EDIF Guarantee 4SME Resilience	EIF	60m €	N.A.	Non-EFSD+
<b>Total (up to)</b>			<b>60m €</b>	<b>N.A.</b>	



# EFSD+ Guarantees under Open Architecture (2/3)

1<sup>st</sup> EFSD+ Call for Proposals (PIPs) – endorsed at Operational Board - 5/12/2022

#	Title of the PIP	Lead IFI	Guarantee coverage for WB (up to)	TA allocation for WB (up to)	Comments
5	HI-BAR	EBRD	50m €	2.5m €	Energy Package
6	Municipal, Infrastructure & Industrial Resilience Programme (Resilience)	EBRD	50m €	2.5m €	Energy Package
7	Connectivity	EIB	34m €	1.7m €	Energy Package
8	Better Futures Program (BFP)	IFC	40m €	2m €	Energy Package
9	Supporting Market-Oriented Green Transformation in the ENI and WB6	KfW	200m €	10m €	Energy Package
10	EIBG Multi-thematic (uncapped guarantee) support for SMEs in the Western Balkans	EIF	120m €	3.5m €	WB exclusive
11	Inclusive Finance for the Western Balkans	EIF	30m €	2m €	WB exclusive
12	EIF-UNDP Inclusive Growth initiative for the Western Balkans	EIF	20m €	3m €	WB exclusive
<b>Total (up to)</b>			<b>544m €</b>	<b>27.2m €</b>	



# EFSD+ Guarantees under Open Architecture (3/3)

*1<sup>st</sup> EFSD+ Call for Proposals (PIPs) – endorsed at Operational Board - 25/01/2023*

#	Title of the PIP	Lead IFI	Guarantee coverage for WB (up to)	TA allocation for WB (up to)	Comments
13	Financing and Accelerating the Sustainable Transition of Cities (FAST-Cities)	AFD	20m €	1m €	NEAR-led
14	Digital Transformation Platform	EBRD	20m €	1m €	NEAR-led
15	Risk sharing for ESG projects	EBRD	12.75m €	0.64m €	NEAR-led
16	Credit Enhancement of Green Bonds - Global Green Bonds TEI	EBRD	10m €	0.5m €	NEAR-led
17	MSME Access to green, growth and inclusive finance	EIB	20m €	1m €	NEAR-led
18	The MSME Guarantee Platform (MGP)	KfW	50m €	2.5m €	NEAR-led
19	EDFI Carbon Sinks	EDFI	12m €	0.6m €	INTPA-led
20	Global Green Bond Initiative	EIB	48m €	2.4m €	INTPA-led
21	EU Market Creation Facility (EUMCF)	KfW	15m €	0.75m €	INTPA-led
<b>Total (up to)</b>			<b>207.75m €</b>	<b>10.39m €</b>	