

A woman with long brown hair, wearing a blue denim shirt, is leaning over a laptop computer in a bicycle repair shop. She has her hands clasped under her chin and is looking at the screen with a focused expression. The background is filled with bicycles and repair equipment, creating a workshop atmosphere. The lighting is soft and focused on the woman.

**THE EIB GROUP'S SUPPORT
FOR SMES IN
THE WESTERN
BALKANS**



EIB lending for
small and medium
businesses and
mid-caps since 2008:
€4.2 billion

The EIB has secured financing for **28 400** companies
and supported more than **500 000** jobs in the Western Balkans since 2008.

WHY SMALL AND MEDIUM-SIZED BUSINESSES?

Small businesses are the backbone of any economy. The Western Balkans countries are no different. Up to 99% of all companies in the region are small or medium-sized. More importantly, these small and medium-sized enterprises (SMEs) account for 72% of total employment in the region. That is why the European Investment Bank (EIB) has invested over **€4.2 billion** in small business in the Western Balkans since 2008. This makes the Bank a leading international lender to SMEs in the region.

The EIB supports small businesses in the Western Balkans as the key to fostering economic growth, innovation, social integration and job creation. Since 2008, our investments have reached **28 400 companies** and helped sustain approximately **500 000 jobs** in the region. Creating jobs and sustaining existing ones are EIB priorities, and this has proven essential to help the region during the COVID-19 crisis. **Over 37 000 jobs have been maintained thanks to EIB financing.**

HOW DOES IT WORK?

The EIB Group, which is comprised of the European Investment Bank and the European Investment Fund (EIF), offers financial instruments to help support small and medium-sized enterprises across the Western Balkans. The EIB Group lends to local banks and other intermediaries, which then lend this money on to small and medium-sized businesses.

The EIF specialises in risk finance for small businesses. Among other things, it provides guarantees to intermediaries with the aim of stimulating lending to small firms.

The EIB Group helps SMEs carry out investment plans, acquire working capital, build or expand production facilities, establish and consolidate distribution channels, conduct research and development, and much more. By working with local financial institutions, the EIB supports the banking sector in the region in developing new products and enhancing access to finance for local companies.

OUR OFFER

COVID-19 recovery support

The European Investment Bank is supporting the Western Balkans' recovery from the COVID-19 pandemic with €1.7 billion, of which **€400 million** is earmarked specifically for SMEs and mid-caps. This package is part of Team Europe's financial support for the economic recovery of the region.

The EIB Group has deployed a set of emergency measures – including wider eligibility criteria, shorter tenors and accelerated disbursements – in an effort to respond better and faster to the needs of small businesses and to support their recovery. To mitigate the immediate negative impact of the pandemic on the liquidity and viability of small businesses, the EIB is providing short-term financing to address their most urgent liquidity needs and ensure business continuity in various sectors.

Our partners include:

- ProCredit Group in **Serbia, Albania, North Macedonia and Bosnia and Herzegovina**: **€65 million** for companies to address their working capital, liquidity and investment needs in the face of the ongoing pandemic
- **Podgoricka Banka** in Montenegro: **€20 million** loan in support of local businesses operating in some of the worst affected sectors of the economy, such as services and wholesale/retail trade
- **Erste Bank a.d. Novi Sad**: **€30 million** to enable the recovery of small businesses in Serbia
- **Erste Bank Montenegro**: **€30 million** credit line to benefit companies in tourism, manufacturing and services
- **Intesa Leasing Beograd** in Serbia: **€40 million** to provide affordable lease finance to local companies under favourable and flexible conditions
- **Raiffeisen Bank d.d.** in Bosnia and Herzegovina: **€12 million** for micro, small and medium-sized enterprises and startups affected by the pandemic
- **Silk Road Bank AD Skopje**: **€5 million** for microcompanies with a maximum of nine employees in North Macedonia

Addressing cash flow problems is important, but small businesses also need to step up their **digital transformation**. The European Investment Fund signed a **€60 million** agreement in Serbia under the European Commission's COSME digitalisation guarantee. Under this agreement, **Raiffeisen banka a.d. Beograd** will be able to support small companies that aim to finance their business development plans and digital transformation.

The EIB is also stepping up to help businesses in the sector hardest hit by the pandemic. We are providing **€50 million** to the **Montenegrin Investment and Development Fund** to support small businesses operating in tourism and other sectors severely affected by COVID-19. This support is especially important as tourism revenues exceed 20% of Montenegro's gross domestic product (GDP).

Për të gjetur një listë të partnerëve tanë në vendin tuaj, vizitoni www.eib.org/intermediarieslist/.



“Many emigrate from our region. But I decided to stay and keep running my family business. And when we needed financing, the European Investment Bank stepped up.”

Tomislav Pudja, owner and director of dairy company **Eko sir Pudja** in Bosnia and Herzegovina

Innovative finance for an inclusive job market

Supporting inclusive employment practices is one of the EIB's priorities in the Western Balkans. Inclusive finance helps companies employ and retain people from vulnerable social groups, who often face difficulties in entering the job market.

The EIB provided the first impact finance loan (**€15 million**) to UniCredit Bank Srbija a.d. to help local small businesses improve their **social impact** in gender equality, youth employment and social inclusion. The project combines EIB funds with grants from the EIB's Economic Resilience Initiative Fund to reward companies that meet certain targets and that provide employment, professional development and long-term job retention to women, young people and other underserved or vulnerable demographic groups, such as minorities, people with disabilities, refugees and internally displaced people.

The European Investment Fund provided **€10 million** in EU-backed guarantees to support **youth employment** in Albania, Bosnia and Herzegovina and Kosovo*. The guarantees will help create credit lines for some **1 200 SMEs** that commit to organising vocational training programmes, internships and employment opportunities for young people.

To support small business in rural communities, the EIF and [Opportunity Bank Serbia](#) have created a credit line worth €10 million to some 4 000 microenterprises in Serbia that do not have adequate access to mainstream financial services and that need loan products for farmers. The EIB Group will complement the loans with business education for entrepreneurs. This is the first transaction under **the EU Programme for Employment and Social Innovation (EaSI)** supporting the European Union's objective of high-level employment, adequate social protection, fighting social exclusion and poverty, and improving working conditions.

* This designation is without prejudice to positions on status, and is in line with UNSCR 1244/99 and the ICJ Opinion on the Kosovo declaration of independence.



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The European Union's joint support for local businesses

The [Western Balkans Enterprise Development and Innovation Facility \(WB EDIF\)](#), funded by the European Union and coordinated by the EIF, improves access to finance for small companies in the Western Balkans. The platform combines loans, equity, guarantees, incentive grants and technical assistance to support SME growth.

The aim of the platform is to improve the business environment for small firms and promote research, development and innovation in the region.

The **EIB** is the European Union's bank. We provide finance and expertise for sustainable investment projects. In 2020, the EIB Group provided more than €64 billion for long-term investments across Europe and around the world.

The **EIF** is part of the European Investment Bank Group. Its mission is to support Europe's micro, small and medium-sized businesses by helping them to access finance.

To find a list of our partners in your country, visit www.eib.org/intermediarieslist/.



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