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January 2025

BLENDING AND GUARANTEES

Overview of Active WBIF
Programmes for Private Sector

In cooperation with



BLENDING AND GUARANTEES

Overview of active WBIF programmes for 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 (EIP) for the Western Balkans 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. To unlock the potential of the private sector, increased EU financing is made available

through blending of grants and loans, and guarantees under the Western Balkans Guarantee Facility (EFSD+). This reinforces open, innovative, business friendly eco-systems.



Key results

Since 2009

€628m
EU funds for MSMEs
in the Western Balkans

1,126,578
jobs supported and/or sustained

**Western Balkans
Guarantee Facility**

€7.0bn
total estimated investment

1.6m MWh p.a.
energy savings

up to €985m
guarantee coverage

395,307
MSMEs supported

592,096 t/p.a.
CO₂ emissions reduced

up to €49.6m
technical assistance



The EU has helped MSMEs to meet the EU standards related to environmental protection, occupational health and safety, and product quality and safety, thereby enabling them to compete effectively in the single EU market.

EIP Policy priorities

In line with the EIP, the key EU policy priorities for the private sector development in the Western Balkans include:

Green transition

Sustainable agriculture

**Digital transition
and innovation**

**Trade and value
chain integration**

Financial inclusion

**Financing and financial
diversification**

Crowding-in private capital

Multi-thematic

WBIF-supported programmes facilitating MSMEs’ access to finance	Policy priority	
SME Go Green Programme in the Western Balkans	Sustainable agriculture	
	Green transition	
Green Finance for Inclusion	Financial inclusion	
	Sustainable agriculture	
Go Digital in the Western Balkans	Green transition	
	Digital transition and innovation	
Eco-Industrial Parks in the Western Balkans – Proof of Concept	Green transition	
	Trade and value chain integration	
Pilot Programme on Inclusive and Socially Responsible Procurement	Financial inclusion	
Structural Reform Facility - Competitiveness Policy Priorities for Western Balkans	Digital transition and innovation	
European Fund for Southeast Europe (EFSE)	Financial inclusion	
	Sustainable agriculture	
Green for Growth Fund (GGF)	Green transition	
	Financial inclusion	
Enterprise Expansion Fund (ENEF) II	Financing and financial diversification	
Western Balkans Regional SME Competitiveness Support Programme	Trade and value chain integration	
	Green transition	
Advice for Small Businesses	Multi-thematic	
WB EDIF Guarantee 4 SME Resilience	Financial inclusion	
	Financing and financial diversification	
Growth for All	Financial inclusion	
HI-BAR	Crowding-in private capital	
	Green transition	
Supporting Market-Oriented Green Transformation in the Eastern Neighbourhood and Western Balkans	Crowding-in private capital	
	Green transition	
Western Balkans Climate Programme	Green transition	
	Financing and financial diversification	
Innovation and Green Transformation Facility	Digital transition and innovation	
	Green transition	
Supporting Entrepreneurs and MSMEs to Safeguard Employment	Financial inclusion	
EDFI Carbon Sinks	Crowding-in private capital	
	Green transition	

SME Go Green Programme in the Western Balkans

Beneficiaries: Albania, Bosnia and Herzegovina, Kosovo*, Montenegro, North Macedonia, Serbia	Start date: December 2022	Total WBIF contribution:** €25 million	Sustainable agriculture	Green transition
	Status: Under implementation	Total estimated investment: €145 million		
Embrace green prosperity with the SME Go Green Programme, a trailblazing initiative led by the European Bank for Reconstruction and Development (EBRD). It focuses on enhancing the green and circular economy, agribusiness and competitiveness investments for small and medium-sized enterprises (SMEs) in the Western Balkans.	The Programme is strategically designed to focus on: - Scaling up green economy investments by allocating at least 70% of total investments to green technologies - Supporting agriculture and agribusiness value chains by dedicating 33% of total investments to this sector - Ensuring more equitable access to climate finance for women-led SMEs by directing at least 25% of the investments to initiatives led by women	EBRD extends debt financing to SMEs through local commercial banks for qualifying investments. These credit lines are boosted by an EU-funded advisory service and cash-back incentives await SMEs upon successful completion and verification of investments.		

Green Finance for Inclusion

Beneficiaries: Albania and Serbia	Start date: January 2023	Total WBIF contribution: €10 million	Sustainable agriculture	Financial inclusion
	Status: Under implementation	Total estimated investment: €130 million		
Unleash the potential of underserved micro, small, and medium-sized enterprises (MSMEs) across the Western Balkans with the Green Finance for Inclusion programme. By investing in innovative energy efficiency and climate-resilient measures, this programme will drive transformative change. The support is particularly focused on empowering women- and youth-led MSMEs in the sectors of social entrepreneurship, sustainable agriculture, circular economy and eco-tourism.	Cassa Depositi e Prestiti (CDP) is the leading financial institution, extends credit lines to local financial institutions, including Microfinance Institutions (MFIs), to facilitate on-lending to MSMEs under favourable terms.	Thanks to EU backing, eligible MSMEs can access loans with favourable conditions like: - lower interest rates, - reduced collateral requirements, - longer maturities, - a combination of all of the above.		

Go Digital in the Western Balkans

Beneficiaries: Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia, Serbia	Start date: December 2023	Total WBIF contribution: €27.6 million	Digital transition and innovation	Green transition
	Status: Under implementation	Total estimated investment: €177.6 million		
The Go Digital programme supports digitalisation, automation and competitiveness of small and medium-sized businesses (SMEs) across the Western Balkans. Emphasising sustainability, a minimum of 50% of the investments will be green, and at least 30% targeted to regions beyond capital cities thus contributing to regional and rural development.	EBRD extends debt financing to SMEs through local commercial banks for qualifying investments. These credit lines are boosted by an EU-funded advisory service and cash-back incentives await SMEs upon successful completion and verification of investments. The incentives will prioritise high-performing technologies that are less present on the market, mitigating upfront costs.	Some of the eligible digital technologies include automated manufacturing solutions, augmented reality, e-commerce, big data and analytics, and more. Automation investments will cover manufacturing and process equipment, printing, agricultural equipment, etc.		

* This designation is without prejudice to positions on status and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.
** Refers to funds from the WBIF Private Sector Calls for Blending Operations and earlier EU contributions consolidated under the WBIF Private Sector Blending in 2020.

Eco-Industrial Parks in the Western Balkans - Proof of Concept			Trade and value chain integration	Green transition
Beneficiaries: Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia, Serbia	Start date: July 2023	Total WBIF contribution: €3.6 million		
 IFC International Finance Corporation www.ifc.org	Status: Under implementation			
This is the first programme in the Western Balkans to implement the eco-industrial parks (EcolP) concept. It aims to demonstrate the feasibility of EcolP's by initiating four pilots in industrial parks in the region.	The programme has two components: The first component - IFC will assess industrial parks in the Western Balkans. Based on predefined criteria, the four industrial parks showing the highest potential for successful transformation to EcolP will be identified. Those four parks will be as pilot case studies and begin the retrofitting process.	- The second component – A series of pilot case studies designed to facilitate the implementation of the EcolP framework, including - Lectures, workshops and training on EcolP framework implementation; - Presenting international best practices for the transition from traditional industrial parks to eco-industrial parks; - Presenting good examples of EcolP framework implementation from the pilot case studies.		
Pilot Programme on Inclusive and Socially Responsible Procurement			Financial inclusion	
Beneficiaries: Albania, Bosnia and Herzegovina, North Macedonia	Start date: December 2022	Total WBIF contribution: €2.5 million		
 European Bank for Reconstruction and Development	Status: Under implementation			
This programme will help the private sector across the Western Balkans implement Inclusive and Socially Responsible Procurement (ISRP). The concept will be piloted at a regional solid waste investment in North Macedonia.	The programme has two components: - Policy mapping for North Macedonia, Albania, and Bosnia and Herzegovina will be carried out. This also includes the development of template contracts to integrate ISRP into procurement processes. - Training, design and implementation of ISRP for the chosen investment project will follow. As a result, the Programme is expected to develop the skills and	employment opportunities for currently underrepresented groups in the North Macedonian solid waste sector. A comprehensive monitoring, evaluation and learning strategy will enable partners to draw lessons from the pilot and inform plans to replicate the approach on future investments under the WBIF.		
Structural Reform Facility - Competitiveness Policy Priorities for Western Balkans			Digital transition and innovation	
Beneficiaries: Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia, Serbia	Start date: December 2023	Total WBIF contribution: €3 million		
 European Bank for Reconstruction and Development	Status: Under implementation			
EBRD will develop and implement a comprehensive policy programme to enhance the competitiveness of the private sector, including MSMEs, within the framework of the Structural Reform Facility - Competitiveness Policy Priorities for Western Balkans.	The Programme is structured in two phases: The development of Competitiveness Policy Priorities (CPP) reports which assess key growth opportunities and barriers in the private sector and provides recommendations for policy measures,	The implementation of a set of remedial policy actions to address identified gaps and improve regulatory frameworks, institutional strength and the overall business environment at country and regional level, following the CPP's recommendations.		

European Fund for Southeast Europe (EFSE)			Financial inclusion	Sustainable agriculture
Beneficiaries: Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia, Serbia	Start date: June 2006	Total WBIF contribution: €109.9 million		
 KFW	Status: Under implementation	Total estimated investment: circa €3.6 billion		
Discover opportunities with the European Fund for Southeast Europe (EFSE), a driving force for micro and small enterprises (MSEs), farmers and private households. EFSE empowers through finance, offering microfinancing via local commercial banks, microfinance institutions, and non-bank entities.	It's not only about funding. A dedicated Development Facility strengthens local financial intermediaries, fortifies financial sectors, and bolsters resilience. The Entrepreneurship Academy partners with local incubators and accelerators, to provide training, resources, mentoring, networking opportunities, and more.	<i>About EFSE:</i> <i>EFSE was initiated in 2005 by KfW Development Bank, supported by the German Federal Ministry for Economic Cooperation and Development (BMZ) and the European Commission (EC). The EFSE mission is to ignite economic development and enhance lives in Southeast Europe and the Eastern Neighbourhood Region. As a pioneering public-private partnership, EFSE pools resources for enduring impact.</i> <i>For more information about the European Fund for Southeast Europe, please visit: www.efse.lu</i>		
Green for Growth Fund (GGF)			Green transition	Financial inclusion
Beneficiaries: Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia, Serbia	Start date: December 2009	Total WBIF contribution: €88.6 million Technical assistance: €4 million		
 KFW	Status: Under implementation	Total estimated investment: circa €762 million		
Experience the force of change with the Green for Growth Fund (GGF), a pioneer in financing energy efficiency and renewable energy ventures undertaken by micro, small, and medium-sized enterprises (MSMEs) and households. GGF empowers by providing funds through local financial institutions or direct investments into qualifying projects and companies.	In 2023, the EU further supported the GGF, with a €20 million capital increase in the form of C-share equity, accompanied by €4 million in technical assistance. This replenishment will sustainably build up and expand the supply of effective financing for renewable and efficient energy measures in the region, and contribute to the reduction of energy consumption and greenhouse gas emissions among end-borrowers.	<i>About GGF:</i> <i>The Fund was launched in 2009 by the European Investment Bank (EIB) and the German Development Bank (KfW) with the backing of the German Federal Ministry for Economic Cooperation and Development (BMZ) and the European Commission (EC). GGF currently operates in 19 markets, including the Western Balkans, and is dedicated to combatting climate change, promoting economic growth, and fostering a sustainable future.</i> <i>For more information about the Green for Growth Fund, please visit: www.ggf.lu</i>		

Enterprise Expansion Fund (ENEF) II			Financing and financial diversification	
Beneficiaries: Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia, Serbia	Start date: December 2021	Total WBIF contribution: €30 million		
	Status: Under implementation	Total estimated investment: €75 million		
The Enterprise Expansion Fund (ENEF) is an equity fund that catalyses the expansion of local small and medium-sized enterprises (SMEs) and high-potential mid-caps in the Western Balkans. Focusing on providing equity, quasi-equity and debt financing, ENEF II provides the financial boost needed for small businesses to grow and expand. Launched in December 2021, supported by the European Commission, EBRD and other development finance institutions, up to €75 million is expected to be available.	ENEF II goes beyond financing, by providing extensive pre- and post-investment support. Success is more than numbers, so support is given to identifying and addressing Environmental, Social and Governance (ESG) risks and opportunities for businesses.	<i>ENEF: a proven legacy</i> <i>The journey began in 2014 with the launch of the Enterprise Expansion Fund (ENEF) under the Western Balkans Enterprise Development and Innovation Facility (WB EDIF), backed by an initial capital of €48.5 million. Guided by the European Bank for Reconstruction and Development (EBRD), ENEF I successfully invested in 16 companies by July 2020.</i>		
Western Balkans Regional SME Competitiveness Support Programme			Trade and value chain integration	Green transition
Beneficiaries: Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia, Serbia	Start date: December 2017	Total WBIF contribution: €30 million		
	Status: Under implementation	Total estimated investment: €170 million		
Sharpen small and medium-sized enterprises' (SMEs) competitive edge with the SME Competitiveness Support Programme. This initiative empowers SMEs in the Western Balkans to excel in the EU market by meeting environmental protection, occupational health and safety, and product quality and safety standards.	The European Bank for Reconstruction and Development (EBRD) offers debt financing through local commercial banks for qualifying investments. These credit lines are boosted by an EU-funded advisory service ensuring businesses are well-equipped to meet stringent standards. Cash-back incentives of up to 15%, await SMEs upon successful completion and verification of investments.	<i>For more information about the SME Competitiveness Support Programme, please visit: web-sme-csp.com</i>	Multi-thematic	
Advice for Small Businesses				
Beneficiaries: Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia, Serbia	Start date: December 2019	Total WBIF contribution: €15 million	Multi-thematic	
	Status: Under implementation			
Empower small and medium-sized enterprises (SMEs) with the transformative Advice for Small Businesses initiative. It offers comprehensive advisory services spanning strategy and operations to quality management, financial reporting, energy efficiency and beyond.	The programme operates through a network of local consultants and international experts, accessing cutting-edge best practices. The mission is clear – equip small businesses in the Western Balkans with the tools to enhance their business performance and sharpen their competitive edge.	<i>For more information about Advice for Small Businesses, please visit: https://www.ebrd.com/small-business-support/advice-for-small-businesses.html</i>		

WB EDIF Guarantee 4 SME Resilience			Financing and financial diversification	Financial inclusion
Beneficiaries: Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia, Serbia	Start date: June 2022	Total guarantee coverage: up to €60 million		
	Status: Under implementation	Total estimated investment: circa €750 million		
The Guarantee4SME Resilience empowers micro, small and medium-sized enterprises (MSMEs) with improved access to affordable finance. By sharing the risks with commercial banks, the guarantee is dedicated to supporting smaller SMEs, with a minimum 25% allocation to micro-businesses.	Thanks to EU backing, eligible MSMEs can access loans with favourable conditions like: • lower interest rates, • reduced collateral requirements, • longer maturities, • a combination of all of the above.	Launched in June 2022 in the wake of the COVID-19 pandemic and the ongoing energy crisis; this initiative aids MSMEs in bolstering their resilience while progressing towards a more sustainable, low-carbon economy.		
Growth for All				
Beneficiaries: Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia, Serbia	Start date: August 2024	Total guarantee coverage: up to €40 million	Financial inclusion	
	Status: Under implementation	Technical assistance: up to €4 million		
The Growth4All addresses some of the key challenges for MSMEs in the Western Balkans through a supply of dedicated financing and technical assistance that promotes sustainable economic growth in underserved segments and achieves lasting change. Financing will be made available through Partner Financial Intermediaries (PFIs) in all six WB economies and will target specifically agri-businesses, women-led MSMEs and youth-led MSMEs.	The Guarantee is designed to motivate PFIs to finance the targeted segments perceived to be too risky, by providing both credit lines and guarantee coverage for a share of the losses sustained.	Technical assistance will be essential for the successful deployment and implementation of the products and achievement of the objectives of the Programme. Its scope will include capacity building to PFIs, direct support to agribusinesses, marketing and eligibility criteria verification.		
HI-BAR				
Beneficiaries: Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia, Serbia	Start date: March 2024	Total guarantee coverage: up to €50 million	Green transition	Crowding-in private capital
	Status: Under implementation	Technical assistance: up to €2.5 million		
The HI-BAR EFSD+ Guarantee accelerates investments in the next generation of climate mitigation measures and business models in the energy and energy-intensive industrial sectors. These include faster green energy transition, enhanced energy security, diversification of energy sources and transition away from external fossil fuel dependency.	The Guarantee will support the rollout of mature technologies which have not reached critical levels of uptake due to market development barriers or the absence of established energy markets. Furthermore, the HI-BAR will enable investments in the “next generation” of climate technologies that face high technology risks and demand a significant “green premium”, for the absence of an established market.	The Guarantee may also provide short-term and high-level coverage in support of exploration of critical raw materials, which serve as crucial primary inputs for various future climate technologies. Final recipients of financing will be public utilities, private corporates and municipalities.		

Supporting a Market-Oriented Green Transformation in the Eastern Neighbourhood and Western Balkans			Green transition	Crowding-in private capital
Beneficiaries: Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia, Serbia	Start date: June 2024	Total guarantee coverage: up to €200 million		
KfW	Status: Under implementation	Technical assistance: up to €10 million		
This EFSD+ Guarantee supports market-oriented green transformation in the Western Balkans by: - improving access to finance for public utilities and private corporates to enable additional investments - enhancing market-readiness of public utilities through institutional strengthening and commercialisation, and - promoting the integration of the regional electricity market within the WB region and with the EU.	The Guarantee will enable investments in additional renewable energy (RE) capacities for solar and wind power, the rehabilitation of hydropower plants, smart grids and storage, energy efficiency (EE) measures and other investments needed to strengthen a comprehensive green transformation.	Final recipients of the financing will be public utilities for investments in RE and grid infrastructure. These utilities will benefit from direct lending at concessional terms, which brings more sovereignty and independence in corporate decision-making, moving utilities closer to markets. In addition, private corporates will receive EFSD+ guaranteed financing for green transformative investments through private financial institutions.		
Western Balkans Climate Programme			Financing and financial diversification	Green transition
Beneficiaries: Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia, Serbia	Start date: December 2024	Total WBIF contribution: €17.2 million		
	Status: Under implementation	Total estimated investment: €207.2 million		
Western Balkans economies are characterised by elevated levels of energy intensity, high pollution levels and an energy mix dominated by fossil fuels. Micro, small, and medium-sized enterprises (MSMEs) interested in adopting energy-efficient and environmentally-friendly processes often encounter significant barriers to do so, including limited access to capital, insufficient skills, and a lack of awareness about green technologies and available financial solutions. In addition to the climate financing gap, capital markets in Western Balkans remain underdeveloped, with medium- to long-term local currency funding almost non-existent.	To address some of these challenges, the Western Balkans Climate Programme finances climate change-related sub-loans that support the transition from high to low-carbon economies. The Programme will increase access to climate finance, including energy efficiency and clean energy production for sub-borrowers in the region. This will enable businesses to improve their environmental impact by implementing climate-smart investments. In addition, the Programme will support the development of capital markets by issuing green bonds.	The Programme will be accompanied by technical assistance to strengthen the climate-related capacity of Partner Financial Intermediaries (PFIs) by increasing outreach to MSMEs and building the PFIs’ potential to issue green bonds.		

Innovation and Green Transformation Facility			Digital transition and innovation	Green transition
Beneficiaries: Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia, Serbia	Start date: December 2024	Total WBIF contribution: €23.7 million		
	Status: Under implementation	Total estimated investment: €363.7 million		
The Innovation and Green Transformation Facility supports innovative small and medium-sized enterprises (SMEs) and Mid-Caps and some of 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.	EIB extends debt financing to SMEs and Mid-Caps through local commercial banks for qualifying investments. These credit lines are boosted by an EU-funded cash-back incentives await final beneficiaries upon successful completion and verification of investments. SMEs and Mid-Caps will also receive TA to identify appropriate technologies and solutions for their businesses and develop bankable investment projects.		
Supporting Entrepreneurs and MSMEs to Safeguard Employment			Financial inclusion	
Beneficiaries: Albania, Kosovo and Serbia	Start date: September 2024	Total guarantee coverage: up to €48 million		
KfW	Status: Under implementation	Technical assistance: up to €2 million		
This Guarantee aids Albania, Kosovo, and Serbia in post-pandemic recovery, enhancing the region’s competitiveness and job creation. Through risk-sharing guarantees and technical assistance, it unlocks financing for micro, small and medium-sized enterprises (MSMEs), prioritising start-ups, rural MSMEs, and those operating in the manufacturing sector.	The Guarantee will be implemented through local Credit Guarantee Funds (CGFs), which will enable Partner Financial Intermediaries (PFIs) to finance target MSMEs by mitigating lending risks through partial reimbursement of losses in the event of MSME defaults.	Thanks to EU backing, eligible MSMEs can access loans with favourable conditions like: - lower interest rates, - reduced collateral requirements, - longer maturities, - a combination of all of the above.		
EDFI Carbon Sinks			Green transition	Crowding-in private capital
Beneficiaries: Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia, Serbia	Start date: October 2024	Total guarantee coverage: up to €12 million		
EDFI	Status: Under implementation	Technical assistance: up to €0.6 million		
The EDFI Carbon Sinks aims to enhance carbon storage and expand the sustainable management of land and/or wetlands while delivering high-quality emission reductions, restoring biodiversity, and improving the livelihoods for forest dependent communities and smallholders. Carbon sinks are nature-based solutions that absorb carbon dioxide (CO2) from the atmosphere.	This EFSD+ Guarantee supports projects in five sub-sectors: Natural Forests, Smallholder Forestry, Plantation Forestry, Agricultural & Carbon Sink Investments, and Forest Product Processing. Investments benefiting from the Guarantee will be made directly in private sector forestry and agribusiness companies or indirectly via equity and carbon credit funds.	Alongside investments, the Guarantee will provide technical assistance for project preparation to ensure that the environmental and social risks are appropriately managed.		