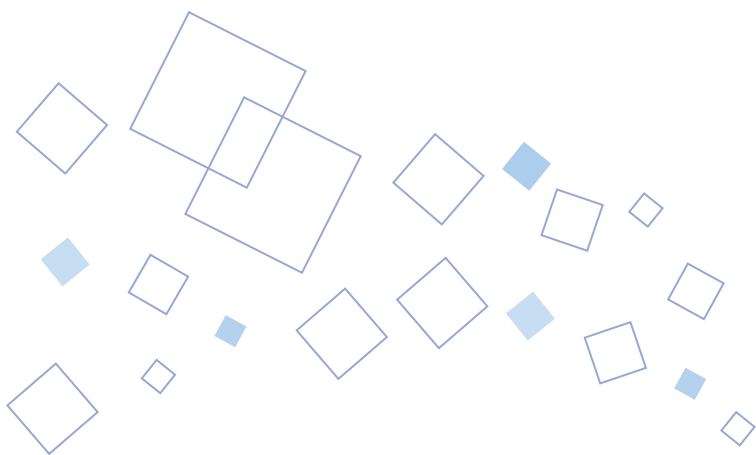




Western Balkans Enterprise Development & Innovation Facility



What is the Western Balkans Enterprise Development & Innovation Facility?

The Western Balkans Enterprise Development & Innovation Facility (WB EDIF) is a new initiative aiming at improving access to finance for small and medium-sized enterprises (SMEs¹) in the Western Balkans, helping to develop the regional Venture Capital markets and to support access to finance for SMEs through financial engineering instruments. It is funded by the EU.

Approximately EUR 130m of initial capital pulled together under this Facility by the European Commission, international financial institutions (IFIs), governments of beneficiary economies² and other investors will translate into over EUR 250m of financing available for SMEs in the region.

WB EDIF is the first regional initiative in the private sector development area channelled through the Western Balkan Investment Framework (WBIF). The WBIF supports socio-economic development and EU accession across the Western Balkans through the provision of finance and technical assistance for strategic investments, particularly in infrastructure, energy efficiency and private sector development.

¹ see Article 2 of the Annex of Recommendation 2003/361/EC

² Albania, Bosnia and Herzegovina, Croatia, former Yugoslav Republic of Macedonia, Kosovo (this designation is without prejudice to positions on status, and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo Declaration of Independence), Montenegro and Serbia.

How does WB EDIF work?

EDIF's financial instruments

WB EDIF aims to enhance access to finance for SMEs in the Western Balkans by providing different financial instruments, which target SMEs at their various stages of development. These financial instruments target both the regional gaps in innovation, venture capital ecosystems and home-grown equity funds, as well as the lack of fundamental access to debt financing for SMEs.

The Enterprise Innovation Fund (ENIF) targets innovative SMEs in their early development stages by providing equity and quasi equity financing. South Central Ventures (SCV), selected by EIF, will build a portfolio of approximately 40-60 SMEs throughout the Western Balkans economies. These companies can obtain investments of between EUR 100k up to EUR 1.7m on average. A dedicated seed compartment will focus on start-ups. The investors in ENIF are the European Commission, EIF, EBRD, KfW, private individual and institutional investors and the beneficiary countries themselves.

The Enterprise Expansion Fund (ENEF) supports established high-growth potential SMEs by providing development and expansion capital to support their further growth. Internally managed and advised by the EBRD, ENEF provides equity and quasi-equity as well as convertible loans, expecting to create a portfolio of 15 to 20 investee companies throughout the Western Balkans economies. These companies have access to investments of between EUR 1m and EUR 10m.

The investors in ENEF are the European Commission, EIF, EBRD (including an investment from the Italian Investment Special Fund), DEG and OeEB. ENEF co-invests on a deal by deal basis with EBRD's Local Enterprise Facility (LEF).

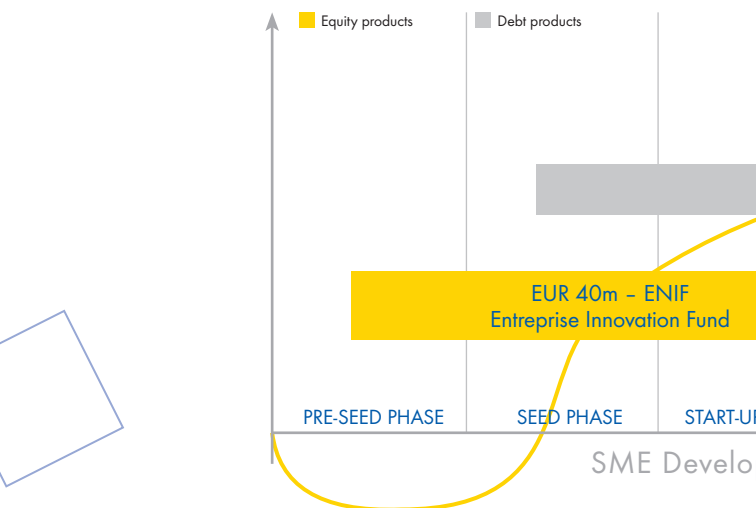
The Western Balkans EDIF Guarantee Facility (GF)

targets SMEs with growth potential and in need of lending to cover financing for both investment and working capital. SME loans of up to EUR 500k are provided via various financial intermediaries operating in the Western Balkan economies. The EIF selects financial intermediaries via a Call for Expression of Interest.

EIF covers part of the risk incurred by the financial intermediary when building up a new portfolio of SME loans and thus incentivises banks to provide better and broader access to finance for SMEs.

The Guarantee Facility is fully financed by the European Commission and has reached a leveraged overall portfolio volume of over EUR 110m, with further financing to become available soon.

WB EDIF is a portfolio approach, cat



EDIF's Support Services Projects

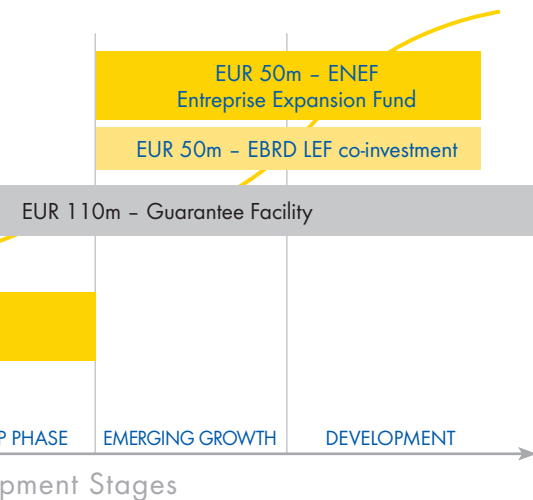
Complementing WB EDIF's financial instruments, the Platform also offers a comprehensive set of Support Services which aim to assist

- the implementation of policy reforms and the creation of a favourable regulatory environment for the benefit of innovative and high-growth SMEs
- the improvement of the institutional capacity and investment readiness of small businesses

The beneficiaries of WB EDIF's Support Services Projects are:

- SMEs
- Governments and administrations of beneficiary economies
- Intermediaries and business support organisations

ering to all levels of SME development



The following table summarises the Support Services

Initiative

Triple Helix Partnerships
(OECD)

Small Business Act (SBA) for Europe and EDIF monitoring
(OECD)

EU-REPARIS
(World Bank)

Venture Capital Ecosystem & Pilot entrepreneurship programme
(World Bank)

Small Business Support
(EBRD)

Support Services management
(EIB)

European Investment Fund

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projects currently supported under WBEDIF

Objective

Design of sustainable economy-specific policy frameworks for Business-Academia-Government Partnerships in Albania, Croatia, and Kosovo and support to implementation

Monitoring progress of implementation of EDIF reform priorities and SBA principles through the SME Policy Index

Support the implementation of corporate financial reporting frameworks in line with the EU *acquis communautaire* in the countries of Southeast Europe with a view to promoting enhanced availability, transparency and reliability of financial information

Policy advice and support to relevant institutional and policy reforms in the area of VC funding / Investment readiness programme for innovative entrepreneurs: implementation of a pilot programme for mentoring the transformation of entrepreneurial ideas into business development propositions and facilitate access to equity finance

International and local advisory assistance to individual SMEs in order to increase their investment readiness, bankability and competitiveness

Management, coordination, monitoring function, needs assessment, support actions to other EDIF pillars

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How can you get involved with WB EDIF?

- **Are you a financial intermediary** interested in enhancing access to finance for SMEs in the Western Balkans by building up a new portfolio of SME loans? Would you like to benefit from a guarantee or counter-guarantee provided by EIF that partly covers risk on eligible newly granted SME loans?
- **Are you a private investor or IFI** interested in investing in WB EDIF and contributing to the success of the Platform?
- **Are you a representative of a beneficiary government** and would you like to know more about the support you can receive to enhance the regulatory and entrepreneurial framework for SMEs on the long-term?
- **Are you an entrepreneur** and want to set up or expand your business in the Western Balkans but you might not have sufficient financing capacity?

Then the Western Balkans Enterprise Development & Innovation Facility (WB EDIF) could benefit you by providing available loans through the Guarantee Facility, equity capital through ENIF and ENEF as well as complementary Support Services.

Please visit the dedicated website for more information: www.wbedif.eu.

Further information on the product, application requirements and selection procedure can be found at: www.eif.org/wbedif.

