



EU - WESTERN BALKANS ATTRACTING INVESTMENT



July 2018

WESTERN BALKANS GUARANTEE

The Western Balkans Strategy published by the European Commission in February 2018 announced a boost in the EU's support to the transformation process in the Western Balkans. **Socio-economic development, regional cooperation and increased connectivity** are key areas for the sustainable growth of the region and part of the **six flagship initiatives** put forward by the Strategy.

In order to **attract private investment** in these key sectors, the European Commission is launching a **new guarantee instrument for the Western Balkans**. This will enable investors, particularly from the private sector, to implement projects at a lower risk and will, in turn, boost the region's competitiveness and contribute to job creation.

WHAT CAN IT ACHIEVE?



Enable entrepreneurs to create jobs, especially for youth and women



Unlock the rollout of innovative ideas and sustainable technologies



Support cross-border investment and trade



Empower banks to work with vulnerable groups



Mobilise private investment to save public funds



Encourage Western Balkans nationals working abroad to invest in projects benefitting the region

HOW DOES IT WORK?



Provide backing for entrepreneurs with good ideas but limited assets to guarantee their loan



Reimburse part of investment in case a project fails



Share financial risk with investors willing to go the extra mile



Reassure private partners keen to boost public services in Public Private Partnerships



Provide expert advice to entrepreneurs



€ **150** MILLION of EU FUNDS for 2019-2020



Multiplying effect on private investment



TIMELINE

2018

2019

2020

Design phase of the new guarantee instrument

Launch of the guarantee and selection of investment projects

Start of investment projects implementation

PART OF THE WESTERN BALKANS INVESTMENT FRAMEWORK (WBIF)

The Western Balkans Guarantee will be established by spring 2019 as an integral part of the existing regional investment platform, under the **Western Balkans Investment Framework** umbrella.

EU funding will be channelled through international financing institutions and local financial intermediaries and will facilitate projects across multiple sectors. This aims at:



Supporting **start-ups and innovation** by reducing potential losses for early-stage investors targeting promising, innovative but risky projects.



Promoting entrepreneurship and SMEs which support **youth** employment and empower **women**, thereby strengthening the **social** dimension of economic development.



Increasing **innovative support for WBIF projects** in all its areas of action (e.g. energy efficiency, renewables, SMEs, infrastructure investments) by mobilising more private finance.



Drawing **private investment to infrastructure** projects in the public interest which are close to commercial viability e.g. through public private partnerships.



Accelerating regional economic integration: Boost business opportunities and competition in the Regional Economic Area by reducing financial risks in trade and cross-border investment.