

## **An Overview of the EU Funding and Support Instruments for Innovation in the Western Balkans**

EU Funding is available for all types of companies of any size and sector including entrepreneurs, start-ups, micro companies, small and medium-sized enterprises, and larger businesses. A wide range of financing is available: business loans, microfinance, guarantees and venture capital. Every year the EU supports more than 200 000 businesses.

### **The WBs Enterprise Development and Innovation Facility (WB EDIF): An integrated multi-product platform funded by the EU to benefit SMEs in the WBs region**

#### **WB EDIF IN A NUTSHELL ([WEBSITE](#))**

- Launched in 2013, it is the first regional umbrella initiative in the private sector development area channelled through the Western Balkan Investment Framework (WBIF).
- Supports SMEs throughout all stages of their lifecycle by:
  - improving access to finance through a range of financial intermediaries in the region, and
  - providing business support throughout all stages of their lifecycle: from concept stage through start-up phase, expansion and beyond.

#### **WB EDIF achieved results (2009 - 2020)**

- € 841 million in financing available to SMEs
- € 531 million deployed via financing instruments to SMEs
- 5,905 SMEs financed and receiving support services
- 133,492 jobs supported

#### **WB EDIF provides support through four complementary pillars (see Fig.x)**

1. SME Equity financing which offers two equity funds aimed at early stage innovative companies (the Enterprise Innovation Fund) and at established enterprises in their expansion phase (Enterprise Expansion Fund);
2. SME Loan Guarantee, focused also on youth employment, supporting local banks in developing SME business with risk sharing reducing costs of loans;
3. SME Lending, providing dedicated credit lines with a grant element;
4. Policy and advisory services to support the entrepreneurial capacity and boost the business ecosystem

- **WB EDIF Equity Programmes**

#### **ENIF (Enterprise Innovation Fund) ([WEBSITE](#))**

- Targeting innovative SMEs at various stages of business development to reinforce their financial structure
- A €40 million Equity fund managed by the South-Central Ventures ([SCV WEBSITE](#))

- Funds primarily dedicated to early stage and growth investments: Within the fund's 'seed pocket', € 1.5 million are allocated for investments of up to € 100 000 per company. The majority of the fund is allocated to early stage and growth investments of up to € 3 million per company.
- Contact: [info@sc-ventures.com](mailto:info@sc-ventures.com).

## **ENEF (Enterprise Expansion Fund) ([WEBSITE](#))**

- For SMEs with a high growth potential to support their business development and expansion
- € 48.5 million to provide equity, quasi-equity and to a limited extent debt funding to private companies incorporated or investing in projects to be implemented in the Western Balkans
- Eligible SMEs can obtain investments from € 1 million up to € 7 million on average
- Contact: Fabio Serri ([serrif@ebrd.com](mailto:serrif@ebrd.com))

- **WB EDIF Debt Programs**

## **WB EDIF Guarantee Facilities ([WEBSITE](#))**

- Launched in 2013; several guarantee facilities (GF) and counter-guarantee facilities (GFI, GF II, GF Serbia, GF Youth) to selected financial intermediaries which in turn create portfolios of loans to SMEs operating in the Western Balkans.
- More advantageous final credit conditions for SMEs than those on the current market
- **Total EU contribution to the Guarantee Facility of € 69.4 million so far**; EU grant has mobilised € 224.9 million in loans for 2,061 SMEs throughout the Western Balkans and Croatia.
- The Economic and Investment Plan for the Western Balkans sets priorities for private sector development through Flagship 9 - Investing in the competitiveness of the private sector, and Flagship 10 - Youth guarantee. The EC aims at providing guarantees to help reduce the financing cost for public and private investments and the risk for investors; the support through the Western Balkans Guarantee Facility can potentially mobilise up to € 20 billion of investments in the decade 2021-2030.

## **SME Competitiveness Support Programme ([WEBSITE](#))**

- Credit lines to improve SMEs' access to finance in order to introduce EU standards (including green standards and the adoption of green technologies) through the provision of financing and through investment incentives.
- Current geographical focus is on: Albania, Bosnia and Herzegovina, Kosovo, North Macedonia, Serbia.
- The EBRD is planning to provide financing of up to € 200 million to local Participating Financial Institutions. The sub-loan sizes vary; the number of sub-loans would be approximately 790-800.

Contacts:

- Albania - [info.Albania@web-sme-csp.com](mailto:info.Albania@web-sme-csp.com)
- Bosnia and Herzegovina - [info.BIH@web-sme-csp.com](mailto:info.BIH@web-sme-csp.com)
- Kosovo – [info.kosovo@web-sme-csp.com](mailto:info.kosovo@web-sme-csp.com)
- North Macedonia - – [info.macedonia@web-sme-csp.com](mailto:info.macedonia@web-sme-csp.com)
- Serbia - [info.Serbia@web-sme-csp.com](mailto:info.Serbia@web-sme-csp.com)

- **WB EDIF Advice and Support Services**

- [ASB Programme](#) - Local and international EBRD consultants available to support all aspects of enterprise management, including accounting, financial reporting, marketing, sales, strategy, human resource management, etc.
- [Intellectual Property and Intangible Assets toolkit](#) - Service helping SMEs to benefit from monetisation of intangible assets and the power of intellectual property in creating value for enterprises.
- Technical support services to help develop business ideas as explained [here](#)

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- **Credit, loans & venture capital**

## InvestEU ([WEBSITE](#))

Providing long-term funding to companies and projects to promote recovery, green growth, employment and well-being across Europe

- Funding period: 2021 – 2027
- The InvestEU Fund captures the objectives of previous instruments such as COSME and InnovFin (both extended until 31/12/2021) and boosts investments with a more flexible product range
- Western Balkans economies eligible for InvestEU upon volunteering
- Support provided for:
  - Research, innovation and digitisation:
    - Research, product development and innovation activities
    - Transfer of technologies and research results to the market, supporting market enablers and cooperation between enterprises
    - Demonstration and deployment of innovative solutions and support to scaling up of innovative companies as well as digitisation of EU industry
  - Small and medium-sized businesses
    - Access to and availability of finance primarily for SMEs, including innovative ones and those operating in the cultural and creative sectors, as well as for small mid-cap companies
    - Possibility of capital support to SMEs that were not in difficulty in State aid terms already at the end of 2019, but since then face significant risks due to the crisis caused by the Covid-19 pandemic
- 3 building blocks:
  - [InvestEU Fund](#): EU budget guarantee of € 26.2 billion implemented via selected financial partners, or ‘**implementing partners**’ such as the European Investment Bank (EIB) Group and other financial institutions
  - [InvestEU Advisory Hub](#): technical support and assistance to help with the preparation, development, structuring and implementation of investment projects, including capacity building
  - [InvestEU Portal](#): easily-accessible and user-friendly database of investment opportunities available within the EU
- [Contacts](#)

- **Direct funding**

## **IPARD III (2021 – 2027) ([WEBSITE](#))**

- IPARD (Instrument for pre-accession assistance for rural development)
- Funding period: 2021 – 2027; Budget: under definition
- Support reforms in the EU accession process by making their agricultural sector and rural areas more sustainable and aligning them with the EU's common agricultural policy.
- Recipients: Albania, Montenegro, North Macedonia, Serbia and Turkey.
- Link to Green Agenda for the WB, especially manure and waste management, organic farming, modernisation of assets and farming methods, sustainable use of natural resources
- Type of expenditures covered: running costs, joint capacity building activities; studies (including feasibility) and plans; costs linked to the implemented project/test/method; promotional activities; research activities linked to and accompanying project/s under the plan, etc.
- [List of local Programs and contacts](#)

## **COST (European Cooperation in Science and Technology) ([WEBSITE](#))**

- Europe's longest-running intergovernmental framework for science and technology cooperation. The Western Balkans are all part of the COST community
- Funding for research networking projects (COST Actions) bringing together universities, public and private research institutions, industry and SMEs, to jointly develop ideas, exchange and transfer knowledge across all scientific disciplines
- Continuously open [Call for Proposals](#), with collection dates twice a year: in March and September
- SME representatives can participate within a network of proposers, submit a proposal for a COST Action; alternatively, they can join an existing COST Action.
- Report on COST relation with WB6 and WB participation figures
- Contacts: General enquiries: [office@cost.eu](mailto:office@cost.eu); Open Call enquiries: [opencall@cost.eu](mailto:opencall@cost.eu)

- **Networking and further support**

## **Erasmus for Young Entrepreneurs ([WEBSITE](#))**

### **The European exchange programme for Entrepreneurs**

- Exchange scheme for young entrepreneurs who have just started their business or with firm intention to start a new one
- Financial support to help spend some time in an EU country working for, and learning from an experienced entrepreneur
- [Contact points](#)

## **EBRD's Star Venture programme in the Western Balkans ([WEBSITE](#))**

- Identify innovative start-ups with the potential to scale up and provide applicants with business advice and access to finance to accelerate their life-cycle

Contact: [StarVenture@ebrd.com](mailto:StarVenture@ebrd.com)

## Enterprise Europe Network ([WEBSITE](#))

### Helping companies innovate and grow internationally

- Support for international partnerships, growth and business innovation in order to help SMEs to identify contacts, right international partners and events to connect with; to access expert's advice for growth and expansion into international markets and to find solutions to turn innovative ideas into international commercial successes
- The Network is active in more than 60 countries worldwide. It brings together 3,000 experts from more than 600 member organisations

Contact points: [Albania](#), [Bosnia and Herzegovina](#), [Kosovo](#), [Montenegro](#), [North Macedonia](#), [Serbia](#)

## Eureka Network ([WEBSITE](#))

- International network including over 45 countries in Europe fostering European competitiveness and integration and encouraging R&D cooperation.
- broad set of [programmes](#) flexible and open to start-ups, SMEs, large companies, research organisations and universities:
  - **Eureka Network Projects** for bottom-up bilateral and multilateral projects between any economy in the Eureka Network in any area.
  - **Eureka Eurostars** for collaborative projects (2 cut off dates per/year) in any area with projects led by Small and Medium Enterprises (SMEs).
  - **Eureka Clusters** are industry driven public private partnerships which build communities and convene projects between SMEs and large industry in specific technology and market areas.
  - **Eureka GlobalStars** calls enable collaborative projects between any country in the Eureka Network and countries outside the Eureka Network in any area.

All the national and regional funding bodies in the Eureka network are listed [here](#) while all open calls for projects can be checked [here](#).

## European Institute of Innovation and Technology (EIT) ([WEBSITE](#))

- Creates Innovation ecosystems to increase cooperation and integration between business, education and research.
- Several EIT Hubs in Western Balkans as part of the EIT Regional Innovation Scheme.
- Help for entrepreneurs to 1) start a new venture or accelerate the existing one, 2) improve competitiveness, and find commercial success, 3) access business development support, finance, new markets and customers.

### [Contact](#)

## EIT Health Accelerator Programmes ([WEBSITE](#))

Open to applications from all entrepreneurs, start-ups, scale-ups, and SMEs in Europe. A wide offer of programmes:

- **Access to market** brings together health SMEs who want to grow their business beyond their home market with Europe's top incubators and accelerators who have the expertise and resources to make it happen.
- **Access to finance** connects SMEs with the investment tools, training, contacts, and finance opportunities.

# FOCUS ARTICLE

- **Investor readiness** helps SMEs get access to the mentorship, connections, and visibility that you need to develop your business and attract investment.
- **Finance Booster** - intensive training so that SMEs are armed with the financial literacy they need
- **Mentoring and Coaching** - expert coach or mentor who can give SMEs the tailored support your company needs.

## Startup Europe 2020-21 ([WEBSITE](#))

- Initiative of the European Commission to connect high tech startups, scaleups, investors, accelerators, corporate networks, universities and the media.
- Includes a portfolio of [EU funded projects](#) and policy actions such as the EU Startup Nation Standard, Innovation Radar and the Digital Innovation and Scale-up Initiative (DISC)., Startup Europe One Stop Shop.

## Startup Europe Networks (Central and Eastern Europe, Western Balkans) ([WEBSITE](#))

- Network providing information and encourage start-ups and scaleups to invest into the international markets.
- An open call for membership will be launched soon. Interested ecosystem builders from the Western Balkans are welcomed to [apply](#).

## Developing new solutions through innovation procurement ([WEBSITE](#))

- Innovation procurement can be implemented by any public authority in any country and plays a growing role in many EU programmes in the period 2021 – 2027.
- Can support start-ups and innovative SMEs to launch and grow:
  - in the early stage of developing and testing new innovations (when public buyers purchase research and development to address new challenges) and
  - in the later stage of wide market commercialisation (when public buyers purchase wide scale deployment of innovations).

The EC supports innovation procurement as a tool to deliver solutions to economic and societal challenges. [Horizon Europe](#) reinforces the co-financing for public procurers around Europe that address common challenges by undertaking PCPs or PPIs jointly. The [Digital Europe Programme](#) also supports the procurement of cutting-edge digital solutions. Synergies with the Structural Funds (ESIF) can also be used to co-finance innovation procurements.

To keep updated subscriptions to the [Innovation Procurement newsletter](#) is possible.

**More details about finance available under further EU initiatives is available at:**  
<http://europa.eu/youreurope/business/funding-grants/access-to-finance/>  
**The site informs on how to apply for loans and venture capital supported by the European Union. Just select the place you operate in to search for financial opportunities!**