

## EIB Group to contribute €1.7 billion to the EU's Covid-19 response package for the Western Balkans



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- **Contribution by the EU bank is part of the EU support package for the Western Balkans worth €3.3 billion**
- **To provide long-term support, the EIB is building a pipeline of projects worth €2.3 billion**
- **Immediate support available to regional healthcare systems and small and medium-sized enterprises**

The European Investment Bank (EIB) Group will provide €1.7 billion to support the social and economic recovery of the Western Balkans from the COVID-19 pandemic. This is part of the €3.3 billion financial support package for the region announced on 29 April by the European Commission and follows the Team Europe efforts to support the Western Balkans.

National healthcare sectors and small and medium-sized enterprises in the region will be the immediate beneficiaries of the EU's support package, which is also designed to strengthen the national banking sectors and provide technical assistance to realise development projects and stimulate much needed investments.

To ease the health, social and economic impacts of the pandemic, the EIB will provide new financing and accelerate signatures and disbursements of approved loans to private and public sector clients in the Western Balkans, with some

€600 million earmarked for the private sector.

**Werner Hoyer, President of the EIB**, said: *“Despite the immense challenges created by the COVID-19 crisis within the EU itself, the Union has shown its unwavering support for its partner countries and its commitment to international cooperation and coordination. The immense needs in the region can only be addressed by a team effort and EIB looks forward to contributing to the Western Balkans Investment Framework and the forthcoming Economic and Investment Plan for Recovery.”*

[Read President Hoyer’s speech at the Zagreb Summit here](#)

**Olivér Várhelyi, the EU Commissioner for Neighbourhood and Enlargement**, said: *“In our COVID-19 pandemic response we have treated the Western Balkans as privileged partners and future Member States. We are engaged together with the EIB to deliver an important financial package to support immediate needs and economic recovery and are now heavily focused on accelerated use of these funds across the region. Quick delivery is key, to which we are committed. Our work will continue as we prepare a comprehensive economic and investment plan that will help the Western Balkans with a long-term recovery, provide a boost for the economies and support reforms, when needed and as needed.”*

**The set of EIB** emergency measures for the Western Balkans includes:

- the approval of dedicated new financing with more flexible terms and extended eligibilities in support of the healthcare sector and SMEs and mid-caps affected by the pandemic;
- the acceleration of disbursements and signature of existing transactions;
- the re-purposing of existing facilities to support healthcare and the private sector;
- the increase of the available EIB financing under a “COVID TopUp”;
- extended eligibilities for healthcare and civil protection projects promoted by the public sector in line with their established national strategies for Pandemic and Emergency Preparedness.

The level of support required by the region is immense and requires the cooperation of all actors, the countries of the region, the EU institutions, international and European financial institutions and EU Member States. The EIB Group is committed to continuing our good cooperation with all our partners in the Western Balkans, including through platforms such as the Western Balkans Investment Framework (WBIF).

### **Long-term commitment to the Western Balkans**

On top of this immediate support package, the EIB continues to build up a pipeline of projects, currently estimated at €2.3 billion, to support the long-term sustainable development of the region based on its capacity to offer affordable, long-term financing and technical assistance in the Western Balkans. Between 2008 and 2019, the EIB Group invested more than €8 billion in the regional economies in all sectors, which makes the Group the largest international lender in the Western Balkans.

In line with EU policy and national priorities, the EIB will support projects enabling the region's transition to environmentally friendly energy generation, digitalisation, better connectivity, job creation and youth employment, environmental protection and resilience to natural disasters while promoting regional cooperation and economic integration.

### **Support for the modernisation of healthcare**

The principal focus of the EU bank in the health sector is on the modernisation, restructuring and improvement of the public health sector in the Western Balkans, with projects promoting equity of access and improvements in the quality of care for patients.

The EIB is ready to provide finance and technical assistance to healthcare systems in the Western Balkans to address any deficits and dependencies, improve hospital infrastructure and transform them into more integrated and resilient national healthcare systems.

The Bank has developed a solid pipeline in this sector that builds on past investments, several of which have been implemented with the support of EU grants. This includes €200 million invested in Serbia to support the modernisation, redevelopment and extension of clinical centres in Belgrade, Nis, Novi Sad and Kragujevac. An additional €200 million was invested in public research and development in Serbia, including upgrades to existing medical research facilities and infrastructure. In Bosnia Herzegovina, the Bank invested €115 million into the reconstruction of the Clinical Centre in Banja Luka and the construction of a new hospital at Bijeljina. Today some of these institutions are a crucial element of their country's response to the COVID-19 pandemic.

In parallel, the EU bank is providing technical assistance to partners in the region both from its own resources and through EU grants (e.g. from the WBIF) to reform the healthcare sectors in line with best EU standards and practices as well as to further strengthen and build their capacities.

### **Investing in jobs and sustainable development in the Western Balkans**

Small and medium-sized enterprises are the key to economic growth, innovation, social integration and job creation and employ between 60% and 80% of the active population in the Western Balkans.

The EIB will respond to the challenges regional SMEs face due to the COVID-19 pandemic. The Group will boost its financing through its full spectrum of products and services available to SMEs (loans, guarantees and advisory services). The aim is to address the immediate challenges SMEs face as well as maintain their ability to undertake future investments and recover from the current crisis. Part of this support will be provided under the EU-supported Western Balkans Enterprise Development and Innovation Facility (EDIF)

EIB lending to SMEs and mid-caps in the region represents nearly half the total lending in the region to date. EIB funding is channelled via local

financial institutions, which subsequently on-lend these funds to small and medium-sized businesses. They have reached out to around 28 400 SMEs and supported in excess of 200 000 jobs at regional level in the last decade alone.