

# EBRD, EU and donors support SMEs and green homes in North Macedonia

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- **€3.5 mn to ProCredit Bank Skopje to increase access to finance for SMEs and home owners**
- **EU, WBIF and Austria funds to identify best available equipment and incentives**
- **Building green, competitive and well-integrated economy in North Macedonia**

The European Bank for Reconstruction and Development (EBRD) is providing two loans of €3.5 million combined to ProCredit Bank Skopje (<https://www.pcb.mk/>) in order to support small and medium-sized enterprises (SMEs) to reach EU standards and residential home-owners to make their buildings more energy efficient.

The new funds come at a critical time as private businesses and citizens in North Macedonia (<https://www.ebrd.com/north-macedonia.html>) feel the economic impact of the coronavirus pandemic (<https://www.ebrd.com/what-we-do/coronavirus>).

The first part of the financial package consists of a €2.5 million loan to increase the competitiveness of local SMEs. Funds will be lent on to businesses to upgrade their production processes and equipment to EU standards, in particular with regards to product quality and safety, health and safety measures and environmental preservation.

These investments are covered by the Western Balkans SME Competitiveness Support Programme (<https://www.ebrd.com/news/2020/ebrd-and-eu-to-increase-finance-for-smes-in-western-balkans.html>), for which the EBRD provides loans and the EU (<https://www.ebrd.com/who-we-are/structure-and-management/shareholders/european-union.html>)

incentive payments and technical assistance. The goal is to help SMEs to modernise their activities and take advantage of trade opportunities in the Western Balkans region and the wider European market.

The second part of the financial package is a €1 million loan to support individual investments in green materials, equipment and technologies for privately-owned residential buildings. It comes under the Green Economy Financing Facility (GEFF) ([https://ebrdgeff.com/macedonia\\_facilities/](https://ebrdgeff.com/macedonia_facilities/)), which offers energy and resource-efficient solutions to build a greener and more sustainable economy.

The programme is supported by the European Union, the Western Balkans Investment Framework (<https://www.wbif.eu/>) and the Austrian Federal Ministry of Finance (<https://www.ebrd.com/who-we-are/structure-and-management/shareholders/austria.html>).

Andi Aranitasi, EBRD Head of North Macedonia, said: “We are very pleased that, together with our longstanding partner ProCredit Bank Macedonia, we can provide additional support to SMEs to invest in the competitiveness of their businesses and to citizens to improve the energy efficiency of their homes. Strengthening the SME sector and investing in green economy are some of our key priorities in North Macedonia and this project will help us come a step closer to both of these objectives. We are also thankful for the support of EU, WBIF and the Austrian Federal Ministry of Finance, all of whom with their grant contributions, have helped make the programmes a big success and North Macedonia a regional leader in terms of utilisation of funds under both CSP and GEFF.”

Janmaat Freek, Delegation of the European Union to North Macedonia, Head of Operations 1, said: “Within the current health pandemic, provision of more favorable access to finance to small and medium sized companies is of outmost importance. While ongoing government measures do support companies to preserve jobs and survival of companies, the joint EU and EBRD programme “SME financing facility”, provides resources for completion of capital investments and future growth of companies. The combination of loan and grant has proven to be a strong tool to encourage companies to pursue the planned investments and expand business further. On the other hand, the facility is a booster for the financial intermediaries which in turn can take on more risk and expand lending activities from their own resources.”

The EBRD has been investing in the economy of North Macedonia since 1993. To date, the Bank has signed more than 130 projects in the country, with a net cumulative business volume of over €2 billion.

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