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REGIONAL ACTIVITY WESTERN BALKANS ENGINES OF GROWTH



Goals

Increase SME resiliency, growth, and job creation

Improve SME access to and use of appropriate finance

Duration

October 2020 – September 2024

USAID Funding

\$ 4 million for core activities in North Macedonia and Serbia

In addition to

\$4,5 million for women's economic empowerment activities in North Macedonia, Albania, Bosnia & Herzegovina, Montenegro, Kosovo, and Serbia

Implementing Partner

Palladium International

USAID Contact

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BACKGROUND

Many small and medium enterprises (SMEs) in North Macedonia lack adequate information on how to access affordable finance for capital investments, expand their business in the region, and improve their supply chains. USAID has contributed to the country's efforts to expand access to finance in-country, but further efforts are needed to develop and improve finance products for SMEs and support their regional economic integration.

PROGRAM DESCRIPTION

The Engines of Growth Activity engages market actors to identify opportunities to improve the availability and use of appropriate financial products and services for SMEs to address financial constraints.

In North Macedonia, Engines of Growth is:

- mobilizing capital and restructuring debt to support vulnerable SMEs that have been adversely impacted by COVID-19;
- working with vulnerable SMEs to leverage all incentive mechanisms available in the market to close financing deals;
- collaborating with selected partners to expand the diversity of financing available to high-potential SMEs; and
- developing sustainable solutions to address the constraints women-owned/managed SMEs face.

The Activity also supports a tourism/travel platform as well as food producers to sell their products online in the U.S. market.

ACHIEVEMENTS AND IMPACT

As of mid-2022, twenty-five SMEs obtained additional finance, benefiting from financial services provided through Business Advisory Service Providers. The grants or loans they received range from \$10,000 to almost \$5.4 million. Over half of these SMEs are in manufacturing. Approximately 135 people will be employed due to these investments.



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