

Serbia: EIB provides €30 million to UniCredit Bank Serbia to improve social impact of SMEs



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- **The first impact finance loan for Serbian SMEs**
- **This highly innovative EIB operation aims to support employment, sustainable and inclusive development and economic resilience**
- **The funds will be available to companies committed to improving their businesses' positive social impact**

The European Investment Bank (EIB) and UniCredit Bank Srbija A.D. (UCBS) have signed the first €15 million tranche of an innovative €30 million impact finance loan to help Serbian small, medium and mid-cap companies to improve the social impact of their businesses in areas such as gender equality, youth employment and social inclusion.

The loan from the EU bank is being complemented by a €4 million grant provided under the EIB's Economic Resilience Initiative (ERI). The grant will reward companies that meet specific targets to foster women's employment and entrepreneurship, youth employment and professional development as well as the social inclusion of underserved or vulnerable demographic groups (e.g. minorities, people with disabilities, refugees, etc.) who often face additional barriers to entry in the job market. Under the scheme, a set of social impact goals will be agreed with the companies that borrow the EIB

funds through UCBS and a financial reward will be distributed to those who meet such targets, encouraging them to include and support employees from more vulnerable groups and ensure their training and long-term retention.

This is the first EIB private sector loan under the ERI in the Western Balkans, contributing to the overarching objectives of promoting sustainable growth and supporting economic resilience. The EIB will also provide technical support for the preparation and implementation of the projects, helping to achieve the intended social impact objectives.

On this occasion, **President of the EIB Werner Hoyer** stated: “We are delighted to support the introduction of innovative financial mechanisms in Serbia to support faster economic development in the country. This loan marks the beginning of a new way of lending to SMEs with far-reaching benefits for social development and the inclusion of people from the most vulnerable groups in the job market. It awards those SMEs who want to grow in a sustainable and inclusive way and allows even more people to benefit from economic development. This is a new chapter in our decades-long support for SMEs, economic and social growth, and the regional and EU integration of Serbia, and is a reaffirmation of our commitment to help Serbia develop faster.”

Jean Pierre Mustier, Chief Executive Officer of UniCredit S.p.A., said: “To do well, we also have to do good. At UniCredit, all our actions are guided by clear value, such as the importance of actively supporting our communities. Thanks to our Social Impact Banking initiative we make investments that have a positive impact on society. The EIB agreement, signed today, will allow us to further support the small and medium businesses that make up foundation of the Serbian economy and that will support the country’s future growth.”

This operation, focusing on the private sector, will generate superior developmental impact than conventional operations. This will be possible through the combination of ERI funds, European Commission support and the EIB funds and expertise in this sector. This deal reaffirms our commitment to the Western Balkans as well as our leading financier role within Team Europe. It will be a blueprint for future operations led by our ambitions in the impact finance business.

Vice-President of the EIB, Dario Scannapieco, said: “The EIB is proud to introduce this new innovative loan to Serbia which will help companies provide employment opportunities to more vulnerable groups, for both inclusion and sustainable development. Retaining jobs and liquidity is essential to enhancing growth in the post COVID-19 phase and the EIB will continue to upscale its support to make sure Serbia recovers as quickly as possible, continuing its path towards full membership to the European Union. This performance-based incentive loan is significant for the EIB as it makes it possible to enhance socio-economic impact and reward the best business practices in the private sector, supporting the change Serbia can benefit from.”

CEO of UniCredit Bank Srbija A.D., Feza Tan, stated: “We are very proud that European Investment Bank has recognised all the efforts of UniCredit Bank in

developing a fairer and inclusive society. Being the first bank in the Western Balkans to sign a loan agreement under European Resilience Initiative carries with it a great responsibility. We want to be a driver and facilitator of change in order to improve our society. This cooperation will enable us to support companies with strong social mission in their efforts to tackle both hard to employ and vulnerable categories. In this way, together, we will develop a more equitable and sustainable society.”

In the last 10 years alone (2009-2019), the EIB has invested €1.87 billion into the private sector in Serbia, supporting over 11 000 companies and retaining over 320 000 jobs.