

 Early Warning System

IFC-608513

**Western Balkans Digital Financial Services and Embedded Finance
Project**



Quick Facts

Countries	Serbia
Financial Institutions	International Finance Corporation (IFC)
Status	Approved
Bank Risk Rating	U
Voting Date	2024-01-18
Borrower	DFS/fintech companies and VC/PE companies
Sectors	Finance
Investment Type(s)	Advisory Services
Investment Amount (USD)	\$ 1.37 million
Project Cost (USD)	\$ 1.37 million

Project Description

According to the Bank's website, the Project aims to facilitate uptake in digital financial services and increase access to venture capital / private equity financing to create private investment opportunities in Western Balkans.

The overall focus of the Project in the Western Balkans is to promote financial inclusion and deepening by facilitating investments and growth in digital banking, fintech, Embedded Finance (EmFi) and VC/ PE financing through policy and infrastructure level reforms. The WB work will address the identified gaps in a holistic manner by implementing three components with focus on two types of actors: DFS/fintech companies and VC/PE companies in the selected countries.

Component 1: Legal and Regulatory Framework

i) Comprehensive Regulatory Environment: The project aims to address regulatory gaps and create a tailored framework for digital banks, fintechs, and EmFi players. This entails developing sector-specific policies aligned with international standards/ EU directives project will offer guidance on emerging technologies and ensure compliance with international policies/ best practices. The activities will support harmonization efforts with the EU, foster regional integration, promote competition, and encourage innovation.

Component 2: DFS Infrastructure (Sector Level)

The project will address the gaps in facilitating access to shared infrastructure for DFS players. While some progress has been made in developing digital infrastructure in certain countries, there is still a need for models that ensure interoperability and equal access to infrastructure. By promoting the availability of shared infrastructure, the project will create a level playing field for DFS players and enhance their ability to serve customers effectively.

Component 3: Fintech Ecosystem (Market Level)

Banks can harness the innovative spirit of the fintech ecosystem in the region via strategic collaborations. The project will also support collaboration between the wider financial sector, facilitate engagement between fintechs and the regulator and showcase potential of the regional fintech scene to attract additional funding.



Investment Description

- International Finance Corporation (IFC)

Contact Information

No contacts available at the time of disclosure.

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