



# KCGF / Kosovo

The **outstanding guarantee volume** reaches **mEUR 51.4** (+17%) at mid-2020

**4,142 SMEs** (+19.8%) under the auspices of **KCGF** (H1 2020)

The **Average guarantee size** remains at **kEUR 14.3** in H1 2020

The **Kosovo Credit Guarantee Fund (KCGF)** in cooperation with the Government of the Republic of Kosovo and international donors launched the Economic Recovery Package. **The Economic Recovery Package (ERP)** has the aim to fight the impact of the COVID 19 pandemic crisis and includes a new guarantee line that aims to support Micro, Small and Medium Enterprises (MSMEs) through the credit guarantees.

Within this Package the credit guarantee coverage of the loan volume has increased up to 80% and is expected to help the access to finance for the enterprises that have been affected from the crisis, and enterprises with the strategic importance to the economy of the Republic of Kosovo. The guarantee windows within this Package are expected to support access to finance for MSMEs in the amount of up to mEUR 200 for a period of one year.

The development of **ERP** will focus on the support of lending in the sectors of production, agribusiness, services, trade, with a special focus on women in business, start-ups (such as ICT) and investments in energy efficiency.

To benefit from this measure, companies need to apply for financing through the commercial banks (**KCGF** Partner Financial Institutions).

Considering the increase of guarantee coverage up to 80 % and subsidy of the guarantee fee by the Government, this measure will play an important role in the recovery of Kosovo's economy as it will re-establish the confidence in the banking sector to avoid the credit crunch that would subsequently lead to a lack of liquidity in the market.



In September 2020, **KCGF** signed a subsidiary agreement in the amount of mEUR 22.3 with the Kosovar Ministry of Finance. This agreement, which comes as a result of the Financing Agreement between the Republic of Kosovo and the World Bank for the Financial Sector Strengthening Project, increased the capital of the **KCGF** in volume of mEUR 21.4.

In November 2020, the German Development Bank KfW topped-up its mEUR 18.5 guarantee line by mEUR 5.

All above mentioned financial agreement between donors and **KCGF** are further support for the private sector needs for short-term liquidity and investment through the creation of guarantee windows for certain strategic segments with the aim to strengthen lending to businesses and to mitigate the consequences of the COVID-19 crisis.

More information on measures by **KCGF** can be found under the following link: <https://fondikgk.org/>

Latest update: 5th January 2021

