



FONDI KOSOVAR PËR GARANCI KREDITORE
KOSOVSKI FOND ZA KREDITNO JEMSTVO
KOSOVO CREDIT GUARANTEE FUND

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DIASPORA INVESTMENT WINDOW NEW STEP FOR INVESTMENTS IN KOSOVO



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FONDI KOSOVAR PER GARANCI KREDITORE
KOSOVSKI FOND ZA KREDITNO JEMSTVO
KOSOVO CREDIT GUARANTEE FUND

Dear readers,

We are pleased to present the eighth edition of the Kosovo Credit Guarantee Fund newsletter!

The newsletter carries a simple mission – to inform the public about the work, initiatives and activities of our institution. During the 10 months of 2024, the Kosovo Credit Guarantee Fund (KCGF) undertook numerous initiatives, among which the one of the most important was the launch of the Diaspora Investment Window. This initiative undertaken by a collaboration between KCGF, the Ministry of Finance, Labour, and Transfers, and USAID, aims to enhance the business environment for the Kosovar diaspora. To highlight this significant milestone, we have dedicated this edition of the KCGF newsletter to the Diaspora Investment Window. In this issue, we present contributions from key stakeholders involved in designing and implementation of this transformative initiative.

As with previous editions, this issue also covers a variety of KCGF activities conducted from January to October 2024, including trainings, orientation sessions, participation in forums, presentations on diverse panels, engagements with educational institutions, and more. Enjoy reading!

We hope you enjoy reading this edition!

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Opinions, beliefs and analysis expressed through the published articles do not necessarily reflect the standpoint of the KCGF or the Institution's approach.

OPENING OF THE DIASPORA INVESTMENT WINDOW

A GATEWAY FOR KOSOVO'S ECONOMIC GROWTH

As an independent institution, the Kosovo Credit Guarantee Fund continues to fulfill its primary mission: facilitating access to finance for SMEs. In July of this year, we launched the Diaspora Investment Window at an event which was attended by all key stakeholders. This event not only marks an important chapter in realizing our institution's mission but also provides unprecedented structural support for private investments from our compatriots living and working abroad, while having a sense of belonging and strong ties to our country. This is one of the main criteria determining the eligibility of beneficiaries for this guarantee scheme, officially called the DIASPORA INVESTMENT WINDOW.

As in previous guarantee window launches by the Kosovo Credit Guarantee Fund, the introduction of Diaspora Investment Window combined the engagement of local and international institutions to contribute to creating a better business environment in Kosovo.

When writing about the window dedicated to the diaspora, we cannot help but recall the impact that the Kosovar diaspora has had in keeping alive the ideal of state-building during the 1990s, and their contribution to the country's reconstruction and revitalization after the war.

The successes of the Kosovar diaspora in various fields in the countries where they live, including in business, are not accidental but a result of tireless work, the desire to represent their country as best as possible to others, and most of all, the mindset and readiness that our people has to integrate with and embrace other cultures.

Therefore, offering a supportive program like the Diaspora Investment Window is the least we can do to facilitate the most favorable environment for these investments. It is primarily in our interest because it is our



BESNIK BERISHA
Managing Director - KCGF



The Diaspora Investment Window serves as a bridge to connect the Kosovar diaspora to business opportunities in their homeland.

We wanted to make this window different from others and increase the guarantee value by up to 2.0 million euros or up to 80% of the credit guarantee coverage.

country's economy that will benefit the most. For this reason, like never before, we wanted to make this window different from others and increase the guarantee value by up to 2.0 million euros or up to 80% of the credit guarantee coverage.

This initiative is a joint contribution from the Government of the Republic of Kosovo, the Kosovo Credit Guarantee Fund, and USAID to turn into reality this idea that was initiated some time ago. A synergy among the three parties deeply involved in the process—the Government of the Republic of Kosovo, USAID, and us—made it possible to come up with a new and innovative instrument, offering the diaspora the opportunity to turn their business ideas into reality in their homeland.

At KCGF, we have been actively involved in every stage of bringing this initiative to life. From concept to execution, our institution has taken a leading role to ensure that this guarantee scheme is tailored to meet the needs of diaspora investors, providing them with a secure and reliable mechanism to channel their resources into productive investments.

This initiative creates new opportunities for Kosovars living abroad to contribute to Kosovo's economic development, job creation, support entrepreneurship, and strengthen the country's financial ecosystem.

The Diaspora Investment Window serves as a bridge to connect the Kosovar diaspora to business opportunities in their homeland. By mitigating the risks involved in lending to diaspora investors, this scheme allows local financial institutions to provide more accessible financing, promoting entrepreneurship and investment in the homeland.

More than just a financial tool, the Diaspora Investment Window is not just a financial instrument—it is an enabler of sustainable growth and a testament of our collective commitment to shaping Kosovo's future. It will also serve as an instrument to encourage financial institutions in Kosovo to lend to diaspora investors for the first time.

In this article dedicated to the diaspora window, we would like to express our heartfelt gratitude and appreciation for the invaluable contribution of our late colleague, Alban Kastrati, who played a pivotal role in the development of this initiative. Alban's dedication, vision, and tireless efforts played a decisive role in shaping the Diaspora Investment Window into what it is today. His work, dedication, and legacy will remain at the foundation of this specific window and our institution in general, which aims to make positive, sustainable changes for generations to come.

We believe that the Diaspora Investment Window will serve as a catalyst for economic transformation, attracting investments that will help build a prosperous and thriving Kosovo. As we move forward, we remain committed to supporting innovative initiatives like this, by fostering partnerships with the diaspora, and creating a stronger and more sustainable economy for all.

As I write this article, we already have the first case of an approved guaranteed loan. Therefore, we are optimistic and at the same time curious to see the extraordinary impact that this guarantee window will bring to businesses, to Kosovo, and its people.



LAUNCH OF THE DIASPORA INVESTMENT WINDOW

The Diaspora Investment Window, launched in July 2024, aims to increase Diaspora investments in Kosovo. Although the Diaspora has always been willing to invest in Kosovo, the Government, in collaboration with the Kosovo Credit Guarantee Fund and the US Government, has introduced the Diaspora Investment Window with the aim of making the path toward these investments much easier.

Our Diaspora living in different countries around the world, who have established credit records in the countries where they reside, have usually not found it difficult to obtain loans to invest in those respective countries. However, to invest in Kosovo, the lack of such credit records has often caused diaspora businesses to be treated as start-ups.

This has resulted in complicated bureaucratic procedures and the need to provide considerable capital as collateral, because the risk assessed by financial institutions has been very high.

The Diaspora Investment Window will create a fund of around 100 million euros for lending to businesses from the Diaspora, enabling applications for loans up to 3 million euros. Meanwhile, guarantees for loans from the KCGF can be up to 2 million euros. All new or existing companies established by the diaspora are invited to apply for loans in Kosovo's banks. Furthermore, in collaboration with USAID, some businesses now have an opportunity to apply for grants that will help them in further business expansion.

Supporting the Diaspora and further strengthening of its role has always been a priority for the Government. We recall that in July 2021, the Ministry of Finance, Labor, and Transfers launched the "Diaspora Bonds" program.



HEKURAN MURATI

Minister of Finance, Labour and Transfers



The Diaspora Investment Window will create a fund of around 100 million euros for lending to businesses from the Diaspora, enabling applications for loans up to 3 million euros.

Meanwhile, guarantees for loans from the KCGF can be up to 2 million euros.

This program was a state-guaranteed financial product offering tax-exempt interest, enabling the Diaspora to invest

their savings while contributing to the country's economic development. This program generated approximately 10.43 million euros which were then directed toward creating new jobs by subsidizing investment loans for our producers.

In a very short time, this program led to the creation of an investment fund of 100 million euros – investment that translated into more jobs and increased exports.

Moreover, the Diaspora Investment Window now facilitates project financing by enabling the Diaspora not only to invest in capital and business but also to bring

intellectual property, skills, knowledge, and working culture from the countries where they reside. This approach contributes to better planning and improved management of projects and undertakings implemented in Kosovo.

These are just some of the benefits of the Diaspora Investment Window, where the initial goal is the return of diaspora to invest in their country, but certainly the long-term and as the ultimate aim, is the return of our diaspora to live in Kosovo.



UNLOCKING DIASPORA INVESTMENT POTENTIAL IN KOSOVO

1. RATIONALE

The Diaspora Investment Window (DIW), launched on 18th of June 2024 by the Kosovo Credit Guarantee Fund (KCGF), is the newest innovative loan guarantee program aimed at attracting investments from the Kosovan diaspora.

In collaboration with the Ministry of Finance, Labor, and Transfers (MFLT) and KCGF, USAID's Investment Promotion and Access to Finance Activity also supported the establishment of the Diaspora Investment Window, a risk-sharing credit guarantee scheme designed to ease financing for diaspora businesses.

To establish the Diaspora Investment Window, the Government of Kosovo, specifically the Ministry of Finance, Labor and Transfers, committed a capital base of €8 million. Additionally, the Kosovo Credit Guarantee Fund provided €2 million in capital, resulting in a combined capital base of €10 million for the Diaspora Investment Window.

Access to finance is pivotal for unlocking the full potential of Diaspora investments. However, diaspora investors often face obstacles in securing financing for projects in Kosovo. These obstacles may encompass restricted access to conventional banking services, absence of collateral or credit history, and unfamiliarity with the local financial landscape.

The Kosovan diaspora community represents a substantial source of potential investment and economic development for the country. With an estimated diaspora population of over one million individuals residing in various countries around the world, harnessing the financial



ARTAN SADIKU

Investment Promotion Lead,
USAID Kosovo Investment Promotion
and Access to Finance Activity



The Kosovan diaspora community represents a substantial source of potential investment and economic development for the country.

The Kosovo Credit Guarantee Fund provided €2 million in capital, resulting in a combined capital base of €10 million for the Diaspora Investment Window.

resources and expertise of diaspora investors is critical for Kosovo's sustainable economic growth.

The Diaspora Investment Window is not just another financial product; it's a tailored tool to enable diaspora investors to initiate and scale investment projects in Kosovo ranging from startups and small businesses to larger infrastructure, production, and bigger investments. This is being implemented for the first time in Kosovo.

The benefits of implementing the Diaspora Investment Window are crucial. It provides easier access to finance to diaspora investors, increases the value of investment and paves the way for sustainable business growth. With this development, Kosovo can attract foreign investment and undertake crucial development projects.

2. POTENTIAL OF DIASPORA INVESTORS FOR SUSTAINABLE ECONOMIC GROWTH

There are multiple indicators that show the potential of the Kosovar diaspora to improve the economic wellbeing in Kosovo. Current remittances inflows constitute 12% of Kosovo's Gross Domestic Product (GDP), representing a vital financial lifeblood for the local economy.

German-speaking countries, namely Germany, Switzerland and Austria, where Kosovo's diaspora is mostly concentrated, are a top source of foreign direct investment (FDI). Increasingly, however, there is growing evidence of diaspora businesses undertaking investments in Kosovo, including in manufacturing and services sector.

To deepen Kosovo diaspora's role in the domestic economy, access to finance is a key issue. Currently, financing remains a key barrier for diaspora investors. Commercial banks are conservative in financing investment plans from diaspora

investors since their credit technology is based on existing cash flows of companies seeking financing when assessing the creditworthiness of business applicants. Based on a survey performed by the local non-governmental organization, Germin, involving 548 diaspora respondents and 30 interviews with diaspora businesspersons, 24% of respondents stated that access to finance could help increase their willingness to invest in Kosovo. Based on the same survey, agriculture, construction, education, energy, IT, and tourism are attractive sectors for diaspora investments.

A further survey by the USAID Investment Promotion and Access to Finance Activity conducted in February 2024, involving 89 diaspora respondents, found that nearly 80% planned to invest in Kosovo. Around two-thirds of the respondents stated they would invest in Kosovo together with another investment partner, with nearly 40% stating they would invest through a bank loan. Notably, despite the restricted sample, diaspora respondents stated they would prefer to invest €1 million in Kosovo, on average. Sixty percent of the respondents stated that the main goal of the investment would be to export goods and services. A third of diaspora businesses stated that access to finance was a key challenge to investing in Kosovo.

Given the considerations outlined above, with the newly established Diaspora Investment Window, individuals who work and reside abroad will be able to apply for loans up to the value of €3 million through commercial banks in Kosovo, and their capital participation must be at least 20% or higher. After the application, if the investor fulfills all the criteria, the Kosovo Credit Guarantee Fund will offer guarantees for loans from the diaspora up to the value of €2 million. Additionally, USAID's Investment Promotion and Access to Finance Activity will provide support through a grant incentive to a number of businesses whose loans have been guaranteed by KCGF through the Diaspora Investment Window.

3. LAUNCHING THE DIASPORA BUSINESS GROWTH FUND TO SUPPORT NEW INVESTMENT PROJECTS IN KOSOVO

To further support diaspora businesses, USAID's Investment Promotion and Access to Finance Activity has established the Diaspora Business Growth Fund, offering grants of up to €30,000 (or US\$33,000) to qualifying diaspora companies.

These grants are intended for business consolidation, staff training, equipment purchases, marketing, and other key activities that contribute to the success and growth of diaspora-led businesses.

The diaspora applicants must secure a bank loan guaranteed by the Kosovo Credit Guarantee Fund and submit the loan contract along with their grant application.

The Diaspora Business Growth Fund aims to:

- Expand diaspora direct investment in SMEs and startups.
- Facilitate knowledge transfer and capital investment from the diaspora to local companies.
- Foster partnerships between diaspora businesses and local enterprises.

Eligible applicants include:

- Diaspora businesspersons born in Kosovo who have lived abroad for over three years.
- Second-generation diaspora individuals with familial ties to Kosovo.
- Businesses operating in Kosovo for up to 36 months.

This initiative represents a unique opportunity for diaspora businesspersons and investors to drive sustainable economic development in Kosovo, leveraging their skills, expertise, and capital to create lasting impact.

In addition to grant support, USAID's Investment Promotion and Access to Finance Activity will promote the Diaspora Investment Window in key diaspora markets, working closely with MFLT and

KCGF to engage diaspora investors and raise awareness about this new financial opportunity.

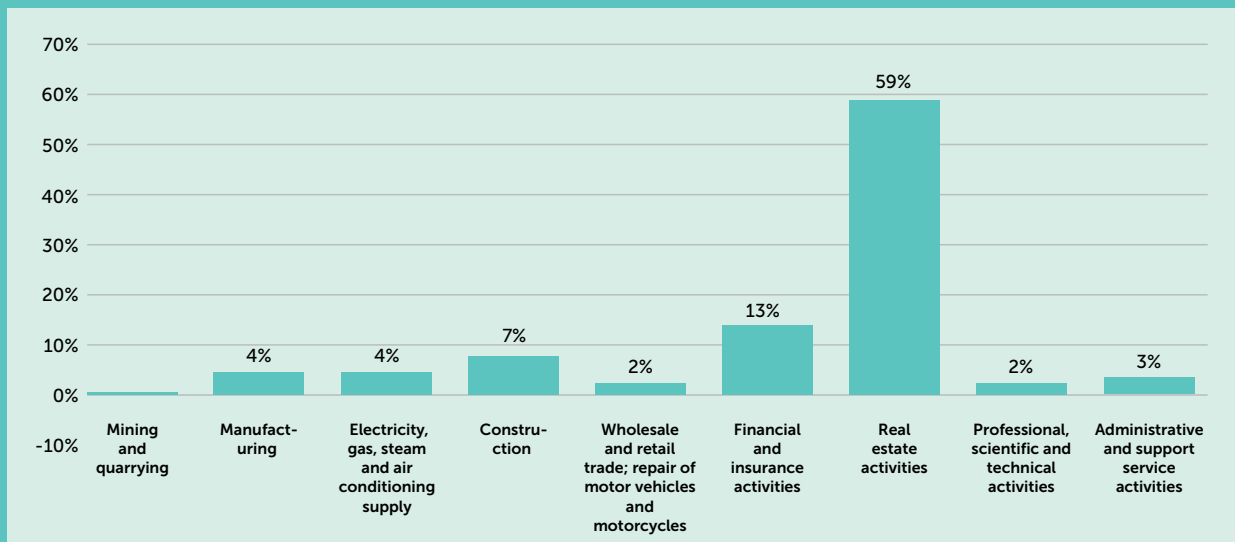
This milestone would not have been attainable without the collaboration with the Government of Kosovo, namely the Ministry of Finance, Labor and Transfers and the Kosovo Credit Guarantee Fund. This partnership underscores joint dedication to strengthening Kosovo's path to economic prosperity and fostering increased investment opportunities.

4. TRENDS IN KOSOVO'S FDI: REAL ESTATE AND FINANCIAL ACTIVITIES LEAD INVESTMENT OVER THE LAST 13 YEARS

The two leading sectors in Kosovo's FDI in the last 13 years remain real estate and financial activities. Around 60% of total net FDI inflows have been directed towards Real Estate, mainly diaspora purchasing real estate in Kosovo. Around 13% of total net inflows were directed towards Financial and Insurance Activities, mainly driven by foreign commercial banks and other financial institutions.

Around 7% went into Construction, 4% to Manufacturing and another 4% to Electricity, Gas, Steam. The strategically relevant mining sector experienced a net de-investment over the observation period.

The distribution of FDI inflows in Kosovo, while robust in certain sectors like real estate and financial services, raises concerns about the quality of investments in terms of fostering productive growth and job creation. A large portion of the FDI, particularly the 60% directed towards real estate, is consumption-driven rather than contributing to long-term economic development. Although real estate investments provide short-term economic activity, they do not generate significant job creation or technological advancements that can propel Kosovo's economy forward.



Aggregated Foreign Investment by Sector 2010-2023, Source: Central Bank of Kosovo

Similarly, the limited inflows into industrial production and in the energy sector highlight Kosovo’s challenge to attract productive investments that are key to boosting industrial output and diversifying the economy.

For Kosovo to strengthen its economic base and reduce its dependency on non-productive sectors, it is crucial to channel more FDI and domestic investments into areas that can create jobs, foster innovation, and enhance export capacity, particularly in manufacturing, technology, energy infrastructure and high-value services.

4.1 Why the Diaspora Should Consider Investing in Kosovo: Key Benefits and Opportunities

The country offers one of the most competitive tax regimes in Europe, with a corporate tax rate of just 10% and no tax on dividends, creating an attractive environment for diaspora businesses seeking profitability. Additionally, starting a business is efficient, with the registration process taking less than three days.

Kosovo has established sectors ripe for investment, including Information and Communications Technology (ICT), Light Manufacturing, and Energy and

Resources. These industries have a proven track record and present numerous opportunities for growth, making the country an appealing destination for investors looking to tap into mature markets.

The country provides easy access to major markets, including the European Union (EU), with over 500 million consumers, and CEFTA nations with an additional 21 million. Its strategic position offers an advantageous route for trade between Europe and Asia, making Kosovo a hub for diaspora companies targeting international expansion. Kosovo also boasts the youngest population in Europe, with over 70% of its people under the age of 35. This young and talented workforce is highly skilled, particularly in IT and other innovative sectors.

A significant portion of the population speaks multiple languages, including English and German, making it easier for international businesses to thrive. With labor costs among the lowest in Europe, averaging €521 per month, country provides a highly cost-effective environment for business operations. This low-cost structure, combined with high potential returns, makes it a profitable location for diaspora investors.

The country also enjoys a liberal trade regime, allowing reduced or no tariffs on exports to the EU, the UK, and CEFTA countries. These trade agreements facilitate seamless market entry for businesses, providing access to major export destinations.

Kosovo has been successful in attracting foreign direct investment (FDI), with €2.6 billion invested over the last five years and nearly 200 foreign-owned businesses established in the last year alone. Exports to Europe and the US have reached €3 billion, demonstrating strong demand for Kosovo-made products and services. For diaspora investors looking to make a meaningful impact while benefiting from substantial economic returns, Kosovo offers a strategic, low-cost, and high-growth opportunity in the heart of Europe.

5. CONCLUSIONS

The Kosovan diaspora holds substantial untapped potential for contributing to the country's sustainable economic growth. With over one million Kosovans living abroad and remittances contributing 12% to Kosovo's GDP, diaspora investors represent a key source of FDI in critical sectors such as agriculture, IT, energy, manufacturing, education, and tourism.

The establishment of the Diaspora Investment Window provides a vital mechanism for diaspora investors to access loans and guarantees, with support from the KCGF. This risk-sharing credit guarantee scheme, also supported by MFLT and USAID's Investment Promotion and Access to Finance Activity, is the first of its kind in Kosovo and will provide guarantees for loans up to €2 million. In conjunction with the Diaspora Investment Window, the Diaspora Business Growth Fund offers grants of up to €30,000 to qualifying diaspora businesses.



A further survey by the USAID Investment Promotion and Access to Finance Activity conducted in February 2024, involving 89 diaspora respondents, found that nearly 80% planned to invest in Kosovo.

Current remittances inflows constitute 12% of Kosovo's Gross Domestic Product (GDP), representing a vital financial lifeblood for the local economy.

This additional financial support aims to alleviate operational costs and foster growth in diaspora-led businesses, further contributing to Kosovo's economic development.

The involvement of various stakeholders, including MFLT, KCGF and USAID's Investment Promotion and Access to Finance Activity, and local financial institutions, in promoting and facilitating diaspora investments reflects a comprehensive and collaborative approach to unlocking Kosovo's economic potential through diaspora engagement.

KCGF ACHIEVEMENTS

UNTIL 31ST OCTOBER 2024



16,578
LOANS



14%
WOMEN

OWNERS /
COOWNERS



394
MILLION EURO

TURNOVER
INCREASE



758
MILLION EURO

GUARANTEED
LOANS
BY KCGF



10,623

MSMEs



27,983

NEW JOBS

IN MEMORIAM!

On 8th July, we received sad news for the loss of our dear colleague, Alban Kastrati.

Alban has been an integral part of the Kosovo Credit Guarantee Fund (KCGF) since its inception, contributing tirelessly to the consolidation and development of our institution.

His dedication to initiating and developing policies and procedures on risk management has been invaluable, and his contributions over the past nine years have shaped the very foundation of our work.

In his role at KCGF, Alban was responsible for credit and operational risk, consistently demonstrating his deep understanding of the field. He was an accomplished economist with a degree in Bank and Finance and had completed his master's studies in Business Administration at the University of Ljubljana in Slovenia. With more than 11 years of experience in the banking sector, he has served in various managerial positions such as Business Loan Allocation Manager, Deputy Director of the Commercial and Corporate Department and Credit Coordinator.

Alban's unwavering commitment, professional excellence, and warm presence will be profoundly missed by all who had the privilege to work with him. His legacy will continue to inspire us as we move forward.

Rest in peace, dear Alban.

Forever in our hearts.



ALBAN KASTRATI

1976 - 2024





Diaspora Investment Window

The Diaspora Investment Window is designed to support investments in private enterprises established by Kosovars living and working abroad. This initiative offers a comprehensive approach to facilitate investments by the Kosovar diaspora, enabling individuals residing overseas to contribute effectively to Kosovo's economic growth.

The primary objective of this window is to encourage new investments from the diaspora, directing funds towards the establishment of new enterprises or strengthening recently founded ones to achieve key economic development goals.

Numerous indicators highlight the significant potential of the Kosovar diaspora to enhance Kosovo's economic well-being. Currently, remittances account for 12% of Kosovo's Gross Domestic Product (GDP), serving as a crucial financial resource for the local economy.

This window was established in collaboration with the Government of the Republic of Kosovo and international donors such as USAID. Through this initiative, USAID supports the creation of a Diaspora Business Growth Fund, aimed at assisting qualifying investors based on predefined criteria.

The total capital allocated for this window amounts to €10 million, with €8 million contributed by the Government of Kosovo and €2 million by the Kosovo Credit Guarantee Fund.

WHAT DO WE CONSIDER DIASPORA INVESTMENT AND WHAT ARE THE LEGAL REQUIREMENTS?

Participants should express a clear intention to invest in Kosovo:

- By initiating a new business venture.
- By supporting existing business within the country established by investors from diaspora.

Businesses with experience longer than 36 months are not qualified for this window.

Ownership structure of the newly established business by investor from diaspora should be:

1. Fully owned by the diaspora investor.
2. In partnership with residents of Kosovo (e.g., business partners, family relatives, friends who live and work in Kosovo).
3. Established by the diaspora investor with a foreign co-investor (non-resident of Kosovo).

In all three cases, the diaspora investor must own at least 30% of the company. The investor must support the idea of establishing a new enterprise with a business plan.

Compliance with Legal and Regulatory Requirements:

Applicants must comply with all relevant laws, regulations, and guidelines governing investment and business activities in Kosovo. Furthermore, the applicant should undergo an anti-money laundering (AML) due diligence process and must provide evidence that they are not currently the subject of any judicial proceedings in their country of residence, or subject of any international sanction list.

WHICH BUSINESSES QUALIFY?

Small, micro and medium enterprises are required to be:

- Owned and established by the investor with diaspora status.
- Registered in the Kosovo Business Registration Agency (KBRA).
- Established by diaspora with a working experience not longer than 36 months.
- Inclusive for different sectors except those prohibited by the KCGF environmental and social management policy.
- Investor with a clear investment business plan.
- Investors must have a good credit rating or scoring from the country where they live and work, and Kosovo.
- Business with less than 250 employees.

Additional information’s on Kosovar origin of the owner of the business:

- Everyone who originally was born and lived in Kosovo but emigrated and lived for more than three years out of the country.
- The offspring (new generations) of Kosovan parents, extending to the second generation, originating from Kosovo.
- Investor must document their stay outside Kosovo (official address).

WHICH LOANS CAN BENEFIT FROM DIASPORA INVESTMENT WINDOW? Qualified Loans fulfilling the following criteria will be eligible for Diaspora Investment Window benefits:

- The minimum loan amount is EUR 3,000.
- The maximum loan amount is EUR 3,000,000.
- The minimum guarantee amount is EUR 1,500.
- The maximum guarantee amount is EUR 2,000,000.
- The minimum repayment period of the guaranteed loan is 3 months.
- The maximum repayment period of the guaranteed loan is up to 84 months.
- The purpose of the loan can be for different investments (fix assets; equipment; working capital)

TYPE OF LOAN

Loan; Credit Line; Overdraft.

WHAT ARE THE GUARANTEE FEATURES?

- Guarantees will be provided for the amount up to 80% of the loan principal but not more than EUR 2,000,000. Percentage of guarantee coverage is flexible and increases as the equity participation from the investor increases. *The investor’s participation in the total investment (equity participation) is mandatory and must be at least 20% or higher.

*** Proposal of the guarantee coverage versus the equity participation in relation to bank loan**

Guarantee coverage (%)	Equity participation / bank loan (%)
60	20/80
70	25/75
80	30/70

WHAT IS THE APPLICATION AND DECISION-MAKING PROCESS?

- The potential borrower does not apply for a guarantee but applies for a loan in one of the KCGF Registered Financial Institutions (RFI).
- The Registered Financial Institution (RFI) after performing the usual credit analysis by applying the risk assessment standards and if the company meets the KCGF criteria, then the relevant RFI places the loan under the KCGF credit guarantee.
- After placing the loan by the relevant RFI in the Information Management System of the KCGF, then KCGF accepts the loan under its credit guarantee.

Micro, small, or medium-sized enterprises that are guaranteed under the Diaspora Investment Window will have the opportunity to benefit from a grant in the amount of 5,000 to 30,000 euros. This grant is provided by the USAID Investment Promotion and Access to Finance Activity.

“The USAID Investment Promotion and Access to Finance Activity in Kosovo is a five-year project that began in March 2023.



USAID
FROM THE AMERICAN PEOPLE

Diaspora Business Growth Fund

Q

USAID’s Investment Promotion and Access to Finance Activity invites diaspora businesses and diaspora investors who have obtained loans through the **Diaspora Investment Window** to submit applications for **grant funding to attract investment** opportunities in Kosovo.

Notice of Funding Opportunity

Who can apply?

This grant opportunity is only available to:

- ✓ Applicants who have already obtained a loan from a Kosovo bank and
- ✓ Loan is guaranteed by the Kosovo Credit Guarantee Fund (KCGF).

Grant funding available for the following areas:

- Business and financial planning
- Business consolidation
- Marketing services
- Organizational management
- Purchase of machinery
- Relevant advisory services
- Staff training

Grant awards will range from:

€5,000 up to:

€30,000

Applications are open from:

August 9, 2024, to July 31, 2025.

Early applications are strongly encouraged.

For additional information and application package:

SCAN THE QR CODE

USAID’s Investment Promotion and Access to Finance Activity
USAID’s Investment Promotion and Access to Finance Activity is funded by the United States Agency for International Development (USAID) and is implemented by DT Global, as the prime contractor, and Recura Financials and Corneux Corporation, as subcontractors.

KCGF ACTIVITIES

JANUARY - OCTOBER 2024

February 2024 – KCGF participated in an operational training session organized by the Association of European Guarantee Institutions (AECM) in Brussels. The session focused on the theme: “Financial Products for a Sustainable Europe: Digitalization, Technology Transition, and Energy.” Two KCGF representatives, Nora Arifii, Senior Portfolio Manager, and Anita Toçi, Communication Specialist, delivered a presentation titled “The Path to Sustainability and Digitalization.”



March 2024 – KCGF delivered a lecture at RIT, focusing on the importance and role of guarantee schemes in economic development. Through detailed explanations and practical examples, students gained insights into how guarantee schemes function, their benefits for MSMEs, and their connection to fostering economic growth. The lecture was presented by Mr. Besnik Berisha and Mr. Kastriot Këpuska in the class of Prof. Fadil Sahiti.



March 2024 – KCGF was part of the conference “Access to Finance for Women Entrepreneurs”, organized by the Central Bank of the Republic of Kosovo and AMIK. Ms. Nora Arifi - Senior Portfolio Manager, presented the opportunity offered by the KCGF window for women in business”. Guarantee scheme that aims to facilitate access to finance and advance financial knowledge. Through the KCGF’s “Women in Business” window, in addition to facilitating access to finance, this window also contains a non-financial component that includes expanding knowledge related to finance for this category. Therefore, women entrepreneurs are also supported in terms of capacity building that includes: financial education, formalization, networking and mentoring.



March 2024 – KCGF delivered a lecture at the University of Mitrovica “Isa Boletini” focusing on the importance and role of guarantee schemes in economic development. Through detailed explanations and practical examples, students gained insights into how guarantee schemes function, their benefits for MSMEs, and their connection to fostering economic growth. The lecture was presented by Mr. Alban Kastrati and Ms. Anita Toçi for the students of the second and third year of the Faculty of Economics.



April 2024 – KCGF was present at the hybrid conference organized by Finance in Motion, with the support of EFSE and the European Commission. On this occasion, Ms. Nora Arifi, Senior Portfolio Manager at KCGF, shared the institution’s experience with the non-financial component of the Women in Business Window. She highlighted the training sessions organized and conducted to enhance the financial knowledge of women entrepreneurs.



April 2024 – KCGF held a lecture at the “Ukshin Hoti” University of Prizren for students of the Faculty of Economics. In this occasion was presented the importance and role of guarantee schemes in economic development. During this lecture, through explanations and examples, students had the opportunity to learn how guarantee schemes work and what they offer for MSMEs. The lecture was delivered by Mr. Besnik Berisha - Managing Director at the KCGF and Ms. Anita Toçi - Communication Specialist, for students of the Faculty of Economics of the University of Prizren.



April 2024 – Four members of the KCGF staff are certified with the title - Certified Risk Management Expert at the Frankfurt School of Finance and Management, in the CERM training.

May 2024 – KCGF marked its eighth anniversary by hosting a roundtable discussion titled “Bridging the Financial Gap – The Role of KCGF in Facilitating Access to Finance.” The event featured a constructive dialogue where participants had the opportunity to reflect, discuss, and elaborate on the impact of KCGF’s services on the country’s economy. During the roundtable, KCGF presented its achievements and challenges over the past eight years. Additionally, the findings from its latest research on facilitating access to finance and the organization’s impact in this area were shared. The event was attended by partner financial institutions, donors, and key collaborators of KCGF, whose participation and contributions were greatly appreciated.



May 2024 – KCGF and The Kosovo Energy Efficiency Fund organized a volunteer initiative in the area around Lake Badovci, to clean the waste in its surrounding. This reflects our ongoing commitment to protecting the environment and promoting the well-being of citizens.



June 2024 – KCGF and CDF-Community Development Fund signed a partnership agreement to organize training sessions for women entrepreneurs. As part of the non-financial component, these trainings aim to enhance and expand financial education for women in business.



The agreement was signed by Ms. Nermin Mahmuti, Executive Director of CDF, and Mr. Besnik Berisha, MD of KCGF.

June 2024 – KCGF continued its training cycle, this time targeting businesses. This initiative is dedicated to supporting businesses investing in renewable energy (RE) and energy efficiency (EE) by facilitating their access to finance.



The primary objective of the training was to explore new opportunities for businesses in the gastronomy sector, focusing on: Introduction to technologies in energy efficiency and renewable energy; Key features of the GROW Window; Insights into the importance of the GROW Window in facilitating access to finance for future EE/RE investments critical for business development and stability in this sector. Representatives from eight businesses in the gastronomy sector participated in this session.

June 2024 – The European Association of Guarantee Institutions (AECM) held its annual event under the theme “Twin Transition: Towards a Green and Digital Economy.” The event took place in Warsaw, Poland. KCGF was represented by Mr. Agan Azemi, Chair of the Board, and Mr. Vilson Ukaj, Senior Legal Specialist.

Mr. Vilson Ukaj also contributed to a panel discussion on the topic “Internal Control Systems of Guarantee Schemes.”



June 2024 – KCGF was part of the conference organized in honor of World Consultancy Day, the Business Consultants Council (BCC), in collaboration with USAID Kosovo Compete Activity. The roundtable discussion was on the topic “The Role of ESG as a Guide for the Private Sector.” The Kosovo Credit Guarantee Fund represented by Ms. Nora Arifi, participated in the panel discussion where she highlighted the importance of implementing ESG principles and shared the initiatives KCGF has undertaken to integrate these principles into its operations.



July 2024 – KCGF continued its training cycle with consultancy provided by MACS, this time featuring two sessions: one for businesses in the construction sector and another for those in the textile sector.

The GROW Window is specifically designed to support businesses investing in renewable energy (RE) and energy efficiency (EE), aiming to facilitate their access to finance.



July 2024 – The Government of the Republic of Kosovo, represented by the Ministry of Finance, Labor, and Transfers, and the Kosovo Credit Guarantee Fund, in collaboration with USAID, signed a tripartite agreement today to launch the new guarantee scheme, the “Diaspora Investment Window.” This initiative aims to attract investments from the diaspora and facilitate access to finance for diaspora businesses seeking to invest in Kosovo.

The event was attended by the Prime Minister of the Republic of Kosovo, Mr. Albin Kurti; the Minister of Finance, Labor, and Transfers, Mr. Hekuran Murati; the United States Ambassador to Kosovo, Mr. Jeffrey Hovenier; senior government officials; representatives of the Central Bank of Kosovo; and key partners of KCGF.



August 2024 – KCGF signed the agreement with all registered financial institutions on Diaspora Investment Window.



August 2024 – KCGF signed the guarantee agreement with PriBank. This event marks the expansion of the agreements that KCGF makes with Financial Institutions. Also, through this agreement, KCGF will cover up to 50% of the risk of loans to micro, small and medium enterprises, which will enable PriBank to expand lending to Kosovar businesses.



September 2024 – Representatives of the KCGF conducted two training sessions for the staff of PriBank, which became a partner of KCGF in August. The training sessions focused on the following topics: An overview of the KCGF and its mission; Understanding guarantee schemes: their purpose and definition; Key features of KCGF guarantee windows; The Standard Window and its features; The Environmental and Social Management System and its importance.



September 2024 – KCGF was part of the economic TV show program “Startup” in RTV21. It was discussed on newly launched guarantee scheme Diaspora Investment Window. KCGF was represented by Mr. Kastriot Këpuska, Project manager.



September 2024 – KCGF was part of the event “Launch of the Green Initiative”, organized by BpB. It marked the official starting of the Green Initiative. KCGF was part of the discussion panel “Importance of the Green Economy for Businesses and Individuals”, represented by Mr. Besnik Berisha, Managing Director at KCGF.



October 2024 – As part of the promotion strategy of the Diaspora Investment Window, in Berlin, Germany, as part of the Global Albanian Gastronomy Festival, representatives from KCGF and Investment Promotion and Access to Finance Activity shared informations on the newly launched guarantee scheme, Diaspora Investment Window.



October 2024 – KCGF was part of the second German Kosovar Economic Forum, organised by German-Kosovar Business Association. On the first day of the Forum, KCGF was part of the discussion panel focusing on access to finance. KCGF was represented by Mr. Besnik Berisha, Managing Director, who emphasised and expressed the importance and the role of KCGF on access to finance for SMMEs.



October 2024 – Gjatë kësaj jave Fondi Kosovar për Garanci Kreditore ishte pjesë e konferencës për Turizëm të Qendrueshëm, organizuar nga PPSE Program Swisscontact. Znj. Nora Arifi - Menaxhere e Lartë e Portofolit- ishte pjesë në panel diskutimi “Rruga e Kosovës drejt Turizmit të Qendrueshëm”.



October 2024 – APPROVED FIRST LOAN GUARANTEED BY KCGF AS PART OF THE DIASPORA INVESTMENT WINDOW.



October 2024 – The Kosovo Credit Guarantee Fund (KCGF) and the Development Bank KfW have signed a landmark agreement to further strengthen financial cooperation aimed at supporting micro, small and medium-sized enterprises (MSMEs) in Kosovo.

The agreement, titled “EU-KfW Western Balkans Guarantee - Supporting Entrepreneurs’ and MSMEs’ Resilience”, is an integral part of ongoing efforts to enhance economic development, increase access to finance, and drive sustainable growth across the region.

This initiative is co-funded by the European Union and the German government through the KfW Development Bank in a total amount of EUR 22,133,5 million.

During the signing ceremony, senior representatives from KCGF and KfW emphasized the critical role of this agreement in empowering Kosovo’s MSMEs, a key driver of employment and economic stability in the country. The new financial instruments supported through this cooperation will reduce lending risks for financial institutions, creating a favorable environment for MSMEs to thrive despite ongoing challenges.

October 2024 – Additional four members of the KCGF staff are certified with the title - Certified Risk Management Expert at the Frankfurt School of Finance and Management, in the CERM training. Total number of certified KCGF staff in this specific training is eight.

October 2024 – Management staff members jointly with the members of the Board of Directors of KCGF attended a workshop facilitated by Mr. Ole Keding from Germany. Main topics of this workshop were: Communication; Leadership; Team work, Strategy and Performance.



SCAMPA

FROM A STARTUP TO A GLOBAL BUSINESS! THE JOURNEY OF "SCAMPA", A PLASTIC PRODUCTS BUSINESS.

In 2006, in the heart of the Drenas Industrial Park, emerged a start-up with big dreams, which is now a consolidated business. From a modest enterprise, it very quickly and convincingly turned into a successful company, thanks to the vision and energy of its founder, Kujtim Gjevori. Like any business, in its beginnings "Scampa" faced many challenges typical for startups – limited resources, competition, as well as changing market dynamics.

However, driven by desire, ambition and commitment to quality, Kujtim was persistent in his vision. With a dedicated team, today composed of 50 employees, the company focused on refining the production processes and expanding its product range. One of the major turning points came when the company embraced innovation and invested in the latest plastic processing technology to manufacture bags with custom designs and high-quality printing, setting itself apart from competitors and starting to export abroad as well, in the US and Europe.

Recognizing the potential of overseas markets, this company's expansion plans strategically targeted European countries in particular, such as the Netherlands and Belgium, known for their strict quality standards and environmentally conscious consumer base. This was achieved through partnership and joint investment with a Belgian company as well as the meticulous planning and high quality, they managed to successfully penetrate these markets, gaining the trust of customers.

The approach and work culture practiced at "Scampa" have fostered innovation and continuous improvement, both in quality and working conditions, ensuring the company's distinguished status in this industry. With investments in new high-capacity machinery through financing from banks, as well as with the guarantee of a part of the financing from the Kosovo Credit Guarantee Fund through the export window that supports exporting businesses, the intended journey of this business became a reality.



Scampa products are made from 80%+ PCR (Post Consumer Recycled) waste. So all the material, instead of being sent to a landfill, is reused and given a new form and life. The owner of the company told us that: "By using PCR waste in our products, we reduce our carbon footprint on the environment and promote sustainability.

By implementing the closed loop, which means all the waste generated in our factory during manufacturing, is recycled and becomes final products. The recycling and the new ongoing project are also the use of biodegradable materials are environmentally friendly practices".

Today, this once small manufacturer of plastic bags, stands as a shining example of entrepreneurial success. With strong foundations, a talented team, and a visionary leader at the helm, they continue to penetrate beyond the borders of Kosovo and constantly explore new opportunities for growth. As they work towards the future, one thing is certain – the journey of this domestic company has opened the doors to more chapters of success that have not yet been written, and will certainly be written in the future.

LET CENTER

A SYMPHONY OF LEARNING WITHIN THE FASCINATING WORLD OF LET CENTER IN PRISHTINA

In the heart of Prishtina, in a new neighborhood, I arrived at the LET Center, where I was met with a warm welcome of the smiling children and friendly staff, led by Lida, the energetic leader who filled me with positivity. Her dedication was noticeable the moment you stepped into the LET Center. With her team, she transformed the center into a sanctuary of joy and learning.

During my visit to the Center, I saw children brimming with smiles as they eagerly engaged in meticulously crafted activities, igniting their curiosity, and nurturing their imaginations. Classes of chess, arts, music, various other meticulously planned activities, all tailored to foster a welcoming environment for children aged 0-6.

Every corner of the LET Center was transformed into a vibrant space for learning, play, and activities, amplifying the sense of joy and creativity. Through interactive games and multifaceted learning approaches, educators wholeheartedly immersed themselves in molding the young minds, instilling an enduring love for learning without limits.

"We've arrived at this point through sheer hard work and commitment, together with all LET Center staff members", said Lida, the Center's owner/manager.

The beginning of any business is challenging. However, with determination, innovative ideas, and an unwavering dedication, we succeeded in establishing this center, which can now accommodate up to 120 children.

Access to financing, particularly for women, is not easy. Often, we find ourselves underserved in terms of financial opportunities, given the lack of property ownership. However, through our long-



standing cooperation with the bank and the credit guarantee from the Kosovo Credit Guarantee Fund, we expanded our business and today, with my sister Fitore, we manage two children's education centers, continued Lida.

"Like any venture, this business has its unique attributes and challenges. We're deeply attuned to children's needs and upbringing. As an educational center, we must cultivate trust among parents, meeting their expectations in terms of substance, as well as ensuring a quality, child-friendly environment. Through this approach, parents place their trust in us, comfortable in leaving their children in safe hands," stated Lida.

Our center currently counts 15 educators and caters to 65 children, from 0 to 6 years of age. We will remain an education center for children in which everyone will feel the safety, well-being, and professionalism we provide. Our ambitions extend further; we aim to foster children's passion for art, music, physical education, knowledge, and creativity. We aspire to sow the seeds of critical thinking, paving the way for future generations' prosperity.

PEZULL

AN ORIGINAL BUSINESS

THE GENESIS OF THE BUSINESS “PEZULL”

Medina, Nertila, and Hira, three young women from the beautiful city of Prizren, came together around the idea of creating an innovative business focused on transparency and illusion.

As fashion enthusiasts and fans of original creations, they decided to establish a new business in 2021. The founders ensured that all aspects of the business—design, sewing, and marketing—were done by their own hands and driven by their unique ideas. They named the business “Pezull” and began by creating original pieces, which have since expanded into international markets.

QUALITY AND INNOVATION IN THE WORLD OF FASHION

One of the defining characteristics of this innovative business is the use of recyclable materials in their creations. With their eye on trends, unique ideas, and special designs, they have achieved remarkable results in a short period, becoming a success story and an inspiration for other young women passionate about fashion and entrepreneurship.

Their products—such as bags, dresses, shirts, sets, blouses, and skirts in a variety of colors and patterns—are crafted with great finesse using transparent, recyclable materials. This sustainable approach has made their creations highly sought after by a diverse customer base.

VISION FOR THE FUTURE

The founders of Pezull continue to push the boundaries of sustainable fashion. Their vision is to expand their range of

products, creating even more diverse models and designs, all completed with dedication and love.

Products from Pezull will continue to be made with recyclable materials, not only bringing originality to their creations but also contributing to environmental preservation.





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