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KOSOVO CREDIT GUARANTEE FUND

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# ROLE AND IMPORTANCE OF GUARANTEE SCHEMES KOSOVO CREDIT GUARANTEE FUND



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Dear readers,

We are pleased to present the seventh edition of the Kosovo Credit Guarantee Fund bulletin! The newsletter carries a simple mission – to inform the public about our work, initiatives and activities of our institution. This edition is dedicated to exploring guarantee schemes provided by KCGF and their crucial role in the economy of Kosovo. In 2023, we launched two new schemes, “Women in Business” and “Startup,” along with the introduction of the non-financial component for both programs. Recognizing the significance of these developments, we believe that a newsletter focused on the windows of the Kosovo Credit Guarantee Fund would serve as a valuable resource for information about our guarantee schemes.

This edition features an insightful article by Professor Albulenë Kastrati titled “The Role of the Kosovo Credit Guarantee Fund in Financial Inclusion and Economic Sustainability of Kosovo.” As with previous editions, this release provides a comprehensive overview of the activities undertaken by the Kosovo Credit Guarantee Fund, from April to December 2023. These activities include training sessions, orientation programs, participation in forums, campaigns, presentations on various panels, and various other initiatives.

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.**

# THE ROLE OF CREDIT GUARANTEE FUND IN KOSOVO'S ECONOMIC RESILIENCE AND FINANCIAL INCLUSION

Kosovo's banking system has been the most successful foreign investment in the last 23 years. It stands as a testament to resilience and stability, having weathered economic crises without a single bank going bankrupt or requiring a bailout. Originating in the post-war Kosova, it has witnessed a remarkable expansion of assets starting from €103 million in 2000 to an impressive €7 billion in assets by 2023; with a loan portfolio of only €3.3 million surging to now almost €5 billion. Throughout the period, Kosovo's banking system has remained liquid, well-capitalized, profitable and with the lowest ratio of non-performing loans in the region, if not Europe. Even during the Global Financial Crisis 2007-2009 when lending did decelerate, no bank experienced difficulties. During COVID-19, Kosovo banks achieved a historical high profit of €117 million. This demonstrates that Kosovo's banks have not merely survived but have thrived, illustrating their remarkable resilience and adaptability.

Nonetheless, Kosovo's banking business model adheres to a relatively conservative business model. It predominantly extends credit to what it perceives as "creditworthy" borrowers and established enterprises. In this context, roughly 60 percent of total loans are directed toward the service sector, with only 37 percent allocated to industry, energy, and construction. Notably, agriculture, a sector that once constituted a substantial 60 percent of the country's GDP a few decades ago, now receives a meager 3 percent of bank financing. It should be noted that governmental structures should have contributed to the betterment of the economic climate that favors strategic sectors; banks' lending strategy merely follows economic trends. This lending strategy leaves many other sectors, start-



ALBULENË KASTRATI, Ph.D.



**Originating in the post-war Kosova, it has witnessed a remarkable expansion of assets starting from €103 million in 2000 to an impressive €7 billion in assets by 2023; with a loan portfolio of only €3.3 million surging to now almost €5 billion.**

ups and small and medium businesses (SMEs) underserved. In light of this lending strategy, a pressing need for safety nets to alleviate financial risks for banks and foster greater lending to businesses, ultimately

promoting economic growth is needed. Kosovo, with its existing lending structure and relatively low financial deepening, requires mechanisms that can encourage the broader participation of banks in supporting a diverse range of businesses. Such mechanisms are best represented by the presence of a credit guarantee fund that provides a safety net for the banks and increases access to finance for the underserved population.

A credit guarantee fund is vital in supporting businesses that otherwise struggle to secure loans. Though long overdue, Kosovo's first guarantee fund – Kosovo Credit Guarantee Fund (KCGF) – was only established in 2016, with the help of the Ministry of Finance, German Development Bank (KfW), and USAID. The KCGF is important in three impactful dimensions: for borrowers (businesses) level, for banks, and the economy.

**FOR BORROWERS:** SMEs and start-ups make up around 90 percent of the business landscape, serving as the backbone of Kosovo's economy. These enterprises, while in great need of bank financing, typically lack sufficient collateral and a substantial business history. Consequently, they pose a higher financial risk for banks, along with less

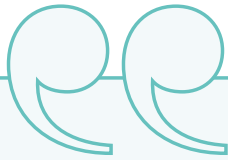


**To date, the KCGF has facilitated more than 13 thousand credit guarantees amounting to a total value of €580 million loans. Furthermore, out of around 45 thousand active businesses in Kosovo, more than 9 thousand have benefited from the KCGF schemes.**

evident commercial promise. Regrettably, in Kosovo, banks often provide minimal financial support to these two crucial categories that generate innovation and employment. Firstly, the KCGF addresses this gap by guaranteeing up to 80 percent of the credit losses to banks, thus enabling collateral-free credit available to collateral-lacking businesses. To date, the KCGF has facilitated more than 13 thousand credit guarantees amounting to a total value of €580 million loans for agriculture, women-led businesses, exporting firms and start-ups. Furthermore, out of around 45 thousand active businesses in Kosovo, more than 9 thousand have benefited from the KCGF schemes. Though the overall lending portfolio in Kosovo is around 9 times larger than what KCGF guarantees, these guarantees play a pivotal role in supporting agriculture and rural development, promoting entrepreneurship and small business growth, that might otherwise struggle to access financing.

Secondly, financial inclusion is an objective that falls on the shoulders of the Central Bank of the Republic of Kosovo, though is often overlooked amidst broader policy objectives. According to EBRD (2021) only 40 percent of the population in Kosovo has access to credit; from which 70 percent of these recipients are businesses, indicating a low crediting level of the economy. KCGF is rectifying this issue by directly helping marginalized businesses to have access to finance.

**FOR BANKS:** Banks essentially engage in the trade of risk, and lending inherently involves a degree of risk. In Kosovo, banks adopt a cautious approach by primarily favoring what they perceive as "creditworthy" borrowers. Their primary objective is to secure profits while minimizing potential losses. Despite a relatively favorable credit culture where most borrowers dutifully repay their loans, Kosovo's transitional economy image still lingers. Consequently, banks exhibit reluctance to expand their loan portfolios to encompass non-traditional borrowers. In instances where a business faces challenges in taking a new loan, the



**In Kosovo, banks adopt a cautious approach by primarily favoring what they perceive as “creditworthy” borrowers.**

Kosovo Credit Guarantee Fund (KCGF) steps in to cover up to 50 percent of the bank’s incurred losses, contingent upon a membership fee. The member bank assumes the remaining portion of these losses.

This risk-sharing strategy serves to temper moral hazard and encourage responsible lending practices. By mitigating credit risk, the KCGF plays a crucial role in reducing non-performing loans, offering capital relief, and expanding the credit portfolio. These efforts contribute significantly to the stability and growth of Kosovo’s financial system.

**THE DIFFERENCE FOR THE ECONOMY:**

An important window of the KCGF is the export window. This window helps to support credit-constrained exporters to advance their exports of goods and services. The KCGF guarantees up to 3 million of loans for exporting firms that either finance long-term investment or

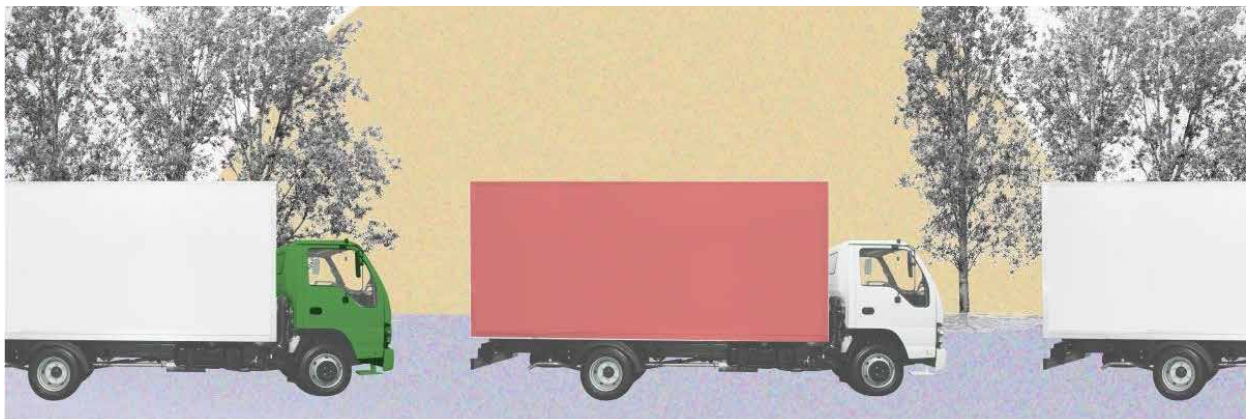
working capital. Kosovo is a country with a low base of exports so this window is critical in the context of our country. By mitigating adverse outcomes of financial market frictions for exporting firms, the KCGF is helping to boost exports and increase Kosovo’s participation in the global economy.

Equally important, by reducing the credit risk, KCGF can encourage both, domestic and foreign investment in Kosovo, as long as the foreign investing firm registers its business in Kosovo. Investors and lenders tend to be more inclined to contribute funds when they perceive a safety net can cushion potential losses.

To conclude, the KCGF stands as a valuable institution and a protective shield, albeit gradually, contributing to the advancement of economic development, job opportunities, and overall stability in Kosovo.



**The KCGF guarantees up to 3 million of loans for exporting firms that either finance long-term investment or working capital.**



# KCGF GUARANTEE SCHEMES

Guarantee schemes, or as we refer to them, Guarantee Windows, are guarantees for financial institutions to mitigate the risk associated with loans issued to micro, small, and medium enterprises (MSMEs). These guarantees exclusively cover the principal amount and do not extend to cover interest rate, or other debt amounts, or additional expenses incurred by the lender. To date, KCGF has introduced the following guarantee windows:



## STANDARD WINDOW

The Standard window is an inclusive window of the KCGF. The features characterizing the standard window, in addition to comprehensiveness, means that this window serves all permitted activities. Standard window guarantees the largest loan amount with a longer repayment period of up to 120 months. It's dedicated to long-term investments as well as to higher amounts and offers lower loan rates. Also, provides a guarantee of up to 50%.

### SPECIFIC FEATURES OF THIS WINDOW ARE:

- The maximum loan amount is 3,000,000 EUR .
- The maximum amount of the guarantee is 500,000 EUR.
- The maximum repayment period of the guaranteed loan is up to 120 months.
- The purpose of the loan can be for long-term investments as well as for working capital.
- Lower guarantee fee for higher guarantee amounts.



## AGRO WINDOW

Agro Window provides guarantees to financial institutions covering the credit risk to micro, small and medium enterprises (MSMEs) that are active in agriculture sector. The special feature of this window is that offers guarantees for businesses registered at ARBK or even farmers who possess a Farmer's Certificate and NIF (Farm Identification Number). Provides guarantee up to 60% of the agro loan principal for guarantees up to EUR 50,000, or up to 50% for the guarantees over EUR 50,000. Provides guarantee up to 50% for guarantees over EUR 50,000. The maximum repayment period of the guaranteed agro loan is 120 months.

### SPECIFIC FEATURES OF THIS WINDOW ARE:

- Allowing guarantee of farmers with NIF
- Allowing prepayment of the previous loan up to 30% of amount of new loan
- Favorable guarantee fee
- Favorable guarantee rate



## GROW

GROW – Green Recovery and Opportunity Window aims to support access to finance by supporting RFIs for the financing made in renewable energy and efficient energy. Guarantees are provided for up to 50% of loan principal. Maturity of the guaranteed loan up to 84 months when purpose of the loan are investments in Energy Efficiency (building envelope, equipment, production lines), and other energy-efficient measures. Additionally, support is extended to small-scale renewable energy projects, including wind, solar, biomass, or geothermal, up to 400 kW.

### SPECIFIC FEATURES OF THIS WINDOW ARE:

- High guarantee exposure for clients up to one (1) million EUR.
  - Up to 500,000 EUR maximum guarantee
  - MSMEs can have other guarantee exposure in KCGF (total cannot exceed one (1) million euro as beneficiary of guaranteed loan by KCGF)
- Lower guarantee fee.
  - Investment in Energy Efficiency
  - Investment in Renewable Energy
- Non-financial component **e-Save** accessible for staff members of RFIs, to verify, measure and evaluate energy efficiency and CO<sub>2</sub> reduction by the investment made.



## EXPORT WINDOW

Given that export is one of the main factors that affects the economic development of the country, FKGK aims that through this window stimulate this segment regardless of the level of exports that an enterprise may have, through offering credit guarantees with preferential rates. Guarantees are provided in amounts up to 50% of the loan principal.

### SPECIFIC FEATURES OF THIS WINDOW ARE:

- Higher credit exposure for the client up to 7,000,000 EUR.
- Higher guarantee exposure up to 1 million EUR.
- Favorable guarantee fee
- Inclusion of all businesses realizing their sales in international markets. Or, their purpose of the loan is to expand exporting activities on a regular basis not only one transaction.



# WOMEN IN BUSINESS WINDOW

The Window for Women in Business aims to facilitate access to finance for women entrepreneurs as well as advancing financial knowledge, a support which is expected to influence financial security, and the financial and independent empowerment of women. This window provides favorable terms in terms of credit risk. Guarantees will be offered for the amount up to 70% of the loan principal. In addition to the financial component, KCGF is also offering the non-financial component or the technical assistance program for women in business who are being supported in terms of capacity building (financial education and formalization); networking, as well as mentoring.

## SPECIFIC FEATURES OF THIS WINDOW ARE:

- Higher guarantee up to 70%
- The maximum loan amount is EUR 50,000
- The maximum amount of the guarantee is EUR 35,000
- The maximum repayment period of the guaranteed loan is up to 84 months



- Non-financial component
  - Training
  - Mentoring
  - Networking
  - Provide the tool **Business Help** (to maintain relevant business data)

# START-UP WINDOW

The Start-Up window aims to facilitate access to finance for new enterprises with adequate financial products, to ensure the growth of newly created businesses as well as the increase of employment. Guarantees will be offered for up to 80% of the loan principal. This window is dedicated to start-up businesses mainly engaged in economic activities/sectors that require basic knowledge. Basic knowledge refers to skills that are developed through previous education, training, or work experience. In addition to the financial component, KCGF is also offering the non-financial component or the technical assistance program for new businesses, which will be supported in terms of capacity building (financial education and formalization), networking as well as mentoring.

## SPECIFIC FEATURES OF THIS WINDOW ARE:

- Higher guarantees compare to all other windows, up to 80%
- The maximum loan amount is EUR 50,000.
- The maximum amount of the guarantee is EUR 40,000.
- The maximum repayment term of the guaranteed loan is up to 60 months.



- Non-financial component
  - Training
  - Mentoring
  - Networking
  - Provide the tool **Business Help** (to maintain relevant business data)

# ACHIEVEMENTS

BY 31 DECEMBER 2023



**14,299**

NUMBER OF LOANS



**15%**  
WOMEN

OWNER  
CO-OWNER



**329**  
MIL

APPROVED  
GUARANTEES



**626**  
MIL

APPROVED  
LOANS



**10,157**

MSME -  
MICRO, SMALL AND  
MEDIUM ENTERPRISES



**24,074**

NEW  
JOBS

# LAUNCHING OF TWO NEW GUARANTEE SCHEMES WOMEN IN BUSINESS AND STARTUP

During the "KCGF WEEK," a launching ceremony was organized to introduce two new guarantee schemes: The window "Women in Business" and the "Startup" window." At this event, agreements were signed with four financial institutions: Banka Ekonomike, Banka Kombëtare Tregtare BKT; Bank for Business, and TEB bank. In addition to the signing ceremony, two discussion panels were held, one

focusing on access to finance for startups and the other on access to finance for women entrepreneurs. These panels were facilitated by KCGF staff and featured panelists including Mrs. Saxhide Mustafa from Riinvest, Mrs. Iliriana Jaka Gashi from NGO Woman4Woman, Mr. Mentor Rexhepi from VentureUp, Milot Kadrijaj from BKT, and Bujar Statovci from BpB.



# SIGNING OF THE REGUARANTEE AGREEMENT WITH SIDA



In December 2023, KCGF organized the ceremony of signing the agreement of re-guarantee with the Swedish Agency for Development and International Cooperation - Sida. KCGF and Sida, represented by the Embassy of Sweden in Kosovo signed the agreement of the guarantee in the amount of 14.9 million euros. In this event were present representatives from the Government of the Republic of Kosovo; Central Bank of Kosovo; Swedish Agency for Development and International Cooperation – Sida, Embassy of Sweden in Kosovo, representatives of Usaid, KfW, World Bank, Commercial Banks, Microfinance Institutions and many other partners of the KCGF.

# SIGNING OF THE AGREEMENT WITH FIVE RFIs FOR GROW

During th emosnth of October and November, KCGF signed the cooperation agreement for the GROW Window with five registered financial institutions such as: NLB; BpP; Banka Ekonomike; BKT; ProCredit Bank. This guarantee scheme will support the investments of Kosovar businesses in renewable energy and energy efficiency.



# NEWS

## KCGF WITH TWO NEW BOARD MEMBERS

The Kosovo Credit Guarantee Fund welcomed two new members to its board of directors. These independent members, appointed by donors, are Mrs. Anila Statovci-Demaj and Mr. Agan Azemi. Following unanimous approval from all members of the KCGF board of directors, Mr. Agan Azemi was appointed chair of the board of directors of the KCGF.

Here are the biographies of both newly appointed members of the board of directors.



### AGAN AZEMI

Agan Azemi is a banker with over sixteen years of experience in the banking system and other institutions associated with the financial sector in Kosovo and Albania. Currently, he serves as the Chair of the Board of Directors at the Kosovo Credit Guarantee Fund and works as a consultant for "OneFor Holding GmbH", as well as the GEFF project. Born on July 18, 1985, in Lipjan, Kosovo. Mr. Azemi completed his bachelor's studies at the University of Pristina, specializing in the Faculty of Economics, Management branch, from 2004 to 2007. Following that, he pursued specialized training at the ProCredit Academy in Furth, Germany, from 2014 to 2017. His extensive work experience encompasses several key roles. At ProCredit Bank Albania, he held the position of Member of the Management Board for over three years. In ProCredit Bank Kosovo, he dedicated approximately eleven years to various roles, including Head of the Small Business Department, Deputy Head of the Business Department, Head of Credit Risk Assessment Unit, Head of Credit Control Unit, and more.



### ANILA STATOVCI DEMAJ

Anila Statovci – Demaj is the Head of Internal Control with the Kosovo Energy Efficiency Fund. An economist by educational background, Anila has a long-standing and diverse working experience, be that with the national or the international working environment, an academic profile as well as a successful high-level executive. Anila is born in Prishtina where she has completed her educational course until an acclaimed graduation at the Faculty of Economics and Business Administration with the University of Prishtina, following which she started an academic career as a university assistant with this faculty. In support of an academic career, she moves to Vienna for PhD studies in 1996. Anila has more than 15 years of work with the OSCE as an internal auditor, both at the central level within the Office of Internal Oversight in the Vienna Secretariat, as well as the Mission Internal Auditor with the OSCE Mission in Kosovo. She got certified with the Institute of Internal Auditors as a Certified Internal Auditor (CIA) in 2003. In 2014, upon invitation, Anila decided to dedicate her professional potential to an executive role in governmental structures. She served both as a Deputy Minister for Education, Science and Technology as well as the Deputy Minister for European Integration with the Government of Kosovo. Due to political changes, her tenure in this service was rather short, but she has achieved commendable results, among which also supporting directly the implementation of Austrian projects with the Ministry of Education, such as Bit-Austria and also ALLED. She has contributed to strengthening the connecting bridges of the Austrian support for the education system of Kosovo. This experience has enriched Anila's executive career at a completely new level of perception and understanding. For five years she held the position of the Director for Administration and Finance with the Millennium Foundation Kosovo, an implementing entity on behalf of the Government of Kosovo and the US Millennium Challenge Corporation, and often has served as the deputy executive of that organization.

# NON FINANCIAL COMPONENT CAPACITY BUILDING

KCGF launched two new guarantee schemes or as we have named Windows: "Women in Business" and "Start-up". In addition to the financial component that has been designed for these two categories, the non-financial component has also been integrated, which contains a series of adequate trainings for these target groups, focusing on building the capacities of the managers/owners of the respective MSMEs.

With the support of the World Bank, the Kosovo Credit Guarantee Fund has organized trainings whose purpose was for managers/owners to advance their skills and increase self-confidence in decision-making and negotiations.

The training program contained the topics listed below:

## **FINANCIAL KNOWLEDGE INCLUDING:**

Business plan; Understanding financial statements (balance sheet and income statement); Maintenance of income; Maintenance of stocks (evidence of available quantity and their condition).

**FORMALIZATION:** Opening the business  
Tax declaration; Formalization of employees and contributions

**FINANCING OPTIONS:** Banking and non-banking

**BANKING:** Adequate services; How to approach a bank; What conditions must be met to be bankable.

**THE ROLE OF KCGF:** Role; Service; Qualified Beneficiaries and Qualified Investments; The decision-making process.

The training was designed to be a one day and free of charge, including another half day for consultations. The trainings were held by an experienced trainer contracted by KCGF, Mr. Burim Ibishi.



Initially, the call for applications was announced for different groups where all women entrepreneurs and business owners had the right to apply. They applied through the online application and were created groups of 8-10 women entrepreneurs from different sectors. The qualification criterion for this training was that the women have a registered business. These trainings were held in 20 different cities of Kosovo, divided into 30 groups, and the number of trained entrepreneurs reached 250. At the end, acknowledgments were distributed to them for their participation.

In addition, training was also held for new entrepreneurs - startups, who have opened their business in the last 12 months. The cycle of these training courses with the same content has also been held in several cities of Kosovo and the number of trained participants has reached to 50. participants.

During these sessions, to all participants was given a simple tool "Business Help" which helped them for daily operations in their businesses. The trainings were promoted on the social media of KCGF and the participants expressed their gratitude especially for the topics elaborated during the training and they benefited from new and more extensive knowledge about the overall finances related to their businesses.



The diverse groups, different businesses, the sharing of experiences and the synergy created between the participants enriched the content of the training.

With each group, consultation sessions were held and acknowledgments on participation were distributed.



"Trajnimi i Fondit Kosovare për Garancitë Kreditore ishte një ndryshim në qasjen time ndaj financave si një startup në teknologji. Më ka hapur dritare të re për njohuritë financiare.

Gjithashtu, temat e shpjelluara më kanë pajisur me njohuri të reja lidhur me kompleksitetin e botës së biznesit."

Rita Mustafa - Pronare

ICODIK - Prishtinë



# ADVANCING THE FINANCIAL KNOWLEDGE

BY 31 DECEMBER 2023





# MY TAXI

## A PIONEERING BUSINESS FOR SUSTAINABLE TRANSPORT IN THE FUTURE



In the crowded and buzzing city of Mitrovica, an innovative transporting service company named “My Taxi” has revolutionized the transportation industry in this city. Founded in December 2021, by a group of visionary entrepreneurs aiming to create a greener and more sustainable future by investing in electric cars, brought innovation to the city.

Even though business started with fueled cars as a conventional trend, the owners took a step forward by investing in electric cars. This visionary move was made possible through the loan guaranteed by the Kosovo Credit Guarantee Fund, an institution affirmed in supporting environmentally friendly initiatives.

The two co-owners, Mirsad Selmani, and Driton Berisha, two young people full of energy and commitment, purchased three MG4 type electric cars, thus initiating a new innovative trend.

These cars are proving to be more than just an environmentally friendly choice; low cost in the long run, saving the company a significant amount in fuel, maintenance and running costs. Their smooth rides ensure passengers a pleasant and calming travel experience.

Although new in the market, the fleet of electric cars became an attraction for citizens who with no hesitation started to use the new transport. The attractive and eye-catching green logo of “My Taxi” is gradually becoming a symbol of progress, sustainability.

Within a short period of time, electric cars became in high demand, constantly booked by locals and environmentally conscious tourists. Both demand and initial success gave the owners the confidence to expand further. They are determined to expand their fleet with electric cars and by the end of this year, they are planning to purchase ten new additional electric cars.

“My Taxi” with around 25 full time workers whose number increases during the busy season, created employment opportunities and are contributing to the local economy. The ten new electric cars they plan to bring will mark another moment and a turning point for the taxi service.

Even though they started with a modest number of cars, the impact of “My Taxi” on the environment is undeniable. Electric cars significantly reduced carbon emissions by 132 kg/km, creating a cleaner and healthier environment for the residents of the city of Mitrovica.

Initial success will be an inspiration for other businesses in the transportation industry to consider environmentally friendly alternatives, causing a positive domino effect in the community. “My Taxi” is an excellent example of how a business can be profitable and environmentally responsible.

Day by day, they prove that sustainability and profitability jointly, are setting a benchmark for others to follow. With their goals of continuous growth and expansion, “My Taxi” envisions a future where clean transportation becomes the norm, transforming their city into a greener, quieter, and healthier place for everyone.

# BLETARIA BLENARDI BEE HIVES IN THE PICTURESQUE VILLAGE



Last week we visited the picturesque Village of Rubofc in the municipality of Lipjan, and the passionate beekeeper Bekim Bajqinca, owner of the Bletaria Blenardi company.

Bekim displays great organization, pedantry and dedication and a deep love and respect for the nature, which made him turn his hobby into a successful business. With a clear vision in mind, Bekim decided to continue his family's tradition of beekeeping, and not only contribute to the local economy, but also promote environmental protection.

Bekim started his beekeeping journey and mission back in 1992, when his uncle started beekeeping, giving Bekim 4 hives.

He turned this hobby into a business, or rather a real passion. He increased the number of bee hives to 700, carefully nurturing his large number of bees throughout the summer season, spending countless hours with a dedication which eventually paid off, as he managed to not only produce honey of very good quality, but other bee products too, such as pollen, propolis, bee milk, etc.

The loan guaranteed by the Kosovo Credit Guarantee Fund was used for the purchase of new hives, 500 hives, as a back-up for winter

preparations, so that next spring finds Blenardi beekeeping business prepared for the next season.

In and around the village of Rubofc, everyone has heard of the wonderful honey that Bekimi cultivates in his plantation. Thanks to the unique flower nuances, attributed to the rich diversity of flowers in the surrounding countryside, his honey became highly sought after, attracting not only local customers, but also attracting the attention of fine honey enthusiasts abroad.

Bekim's commitment is undoubtedly one of the key factors of his success. Working alone, he takes care of all the hives he owns.

Today, the beekeeping business stands as a shining example of how a small effort, fueled by passion, and the desire to make a difference, can blossom into a remarkable success story.

His dedication to the welfare of the bees, his focus on sustainable practices have not only created a thriving enterprise, but also fostered a sense of harmony between people and nature in the wonderful Village of Rubofc.

# JONI SH

## AN ENTERPRISE WITH A VISION



In the heart of Ballofc village in Podujeva, we unveil a success story centered around JONI SH Shpk, an enterprise founded in 2016 by Alban Shabani, a young man with an entrepreneurial spirit and a clear vision.

JONI SH Shpk embarked on a journey that has not only transformed the fate of its owner but also impacted numerous farmers and employees who became part of this inspiring narrative. JONI SH's journey began with Alban, a young visionary determined to create something extraordinary.

Fueled by a profound passion for agriculture and an unwavering belief in his vision, he initiated fruit cultivation on the land inherited from his parents. What began as a solo endeavor soon blossomed into a continuously expanding company.

In 2020, the company became operational with support from donors and loans obtained from various banks. The latter were guaranteed by the Kosovo Credit Guarantee Fund, and the funds were utilized for working capital. This expansion broadened not only the company's physical size but also its impact.

Today, Joni Sh owns a state-of-the-art factory equipped with modern fruit packaging and freezing machinery, along with advanced refrigeration systems. It stands as the pioneer, not only in freezing various fruits

like raspberries, blueberries, apricots, apples, blackberries, and plums, but also as the first to introduce packaged frozen fruits to the market.

Over the years, the team has grown significantly. From a solitary individual, there are now 25 dedicated regular employees who form the cornerstone of JONI SH Shpk. Their commitment and devotion have metamorphosed this enterprise into a business with a unique and extraordinary history.

Alban's entrepreneurial spirit extended beyond the confines of his business. Recognizing the potential of collaboration and symbiosis, he forged partnerships with more than 30 local farmers, empowering them to contribute to his vision.

Currently, over 300 of these farmers, primarily cultivating raspberries, are integral to a supply chain that has penetrated international markets. This move not only bolstered business profitability but also brought the rich flavors of Albanian soil to global tables.

Offering a diverse range of high-quality fruits adhering to international ISO standards, these meticulously selected fruits are now relished by people across borders, uniting cultures through the simple joy of nature's bounty.

Looking at JONI SH Shpk today, we don't merely see a business; we witness a testament to human potential and the potency of dreams. A once modest venture, stemming from the determination of one individual, has evolved into a symbol of success that has touched the lives of countless individuals. This narrative underscores that with passion, energy, adaptability, and a clear vision, even the most audacious dreams can materialize, reshaping the landscape of an entire industry."

# KCGF PART OF AECM REPORT

**May 2023** – KCGF part of the AECM annual report. It was reported that the coverage of active MSMEs by the guarantee schemes of the KCGF has reached 16.7% in 2022. Which indicates a 2.1% greater coverage compared to 2021. A percentage that exceeds even some guarantee institutions of developed countries with long experience.



## JOINT CAMPAIGNS WITH RFIs ON TWO GUARANTEE SCHEMES: "WOMEN IN BUSINESS" AND "STARTUP"

**May to September 2023** – After the launch of the two new guarantee schemes "Women in Business Window" and "Startup Window", all the banks that have signed the agreement with KCGF for these two schemes, jointly, launched the campaigns for these two windows in social media as well as their official web sites.



# THE TRANSITION TO GREEN ECONOMY

June 2023 - Was held ESG samit and KCGF was part of teh discussion panel focusing on " Transition in green economy".



## KCGF PARTICIPATED IN THE 2023 ANNUAL MEETING OF AECM

June 2023 – Representatives of the Kosovo Credit Guarantee Fund participated in the 2023 annual meeting of the European Association of Guarantee Institutions, which was held in Athens.

## KCGF CONTINUES THE CYCLE OF ORIENTATION SESSIONS

June 2023 – The Kosovo Credit Guarantee Fund continued the cycle of orientation sessions designed for the staff of registered financial institutions. A session was held with the staff of the BKT – banka Kombëtare Tregtare regarding the features of the windows offered by KCGF: Standard window; Export window; Women in Business, as well as the window for Start Up.



## KCGF STARTED THE TRAINING CYCLE FOR STAFF MEMBERS OF RFIs ON GROW WINDOW

**June 2023** – KCGF has started the cycle of training for the staff member of registered financial institutions (IRF) for the GROW window. This guarantee scheme is dedicated to businesses that invest in renewable energy (RE) and energy efficiency (EE), to facilitate access to finance. The main goal of the KCGF for organizing these trainings is that the staff of RFIs to gain more insights and knowledge regarding the key features of this window. Also, expanding their capacities and knowledge about the qualifying criteria for investments in RE and EE. KCGF, during the trainings, through the consulting company MACS, also presents the innovative application “eSAVE” as a calculation, monitoring and reporting instrument for the guarantee scheme of the KCGF. This application will help all IRFs to easily manage the loan portfolio of the businesses focusing on renewable energy and energy efficiency.



## SUSTAINABLE RURAL ECONOMIC DEVELOPMENT (SIREĐ)

**July 2023** – KCGF presented at the workshop “Sustainable and Inclusive Rural Economic Development (SIREĐ)” organized by Melita & Partners as the implementer of this project. In this case, the draft training curricula was unveiled, that will help the agricultural sector to have easier access to finance. Mr. Kastriot Këpuska presented the KCGF and spoke in detail “The role of the KCGF to enhance access to finance for agricultural sector”. KCGF remains strongly committed in supporting this sector, not only through its guarantee, but also by providing training that will facilitate access to finance for farmers and agribusinesses.



## KCGF SIGNED AGREEMENT WITH UNIVERSUM INTERNATIONAL COLLEGE

**August 2023** – KCGF signed the agreement with the Universum International College for internship program. The internship program has been developed to provide students with a professional learning experience beyond theory.



## KCGF PART OF THE OPERATIONAL TRAINING SESSION FOR AGRICULTURE

**September 2023** – KCGF represented by Mr. Kastriot Këpuska was present in Operational Training Session OTS – organized by AECM.



## KCGF WITH TWO NEW INDEPENDENT BOARD MEMBERS

**September 2023** – The Kosovar Credit Guarantee Fund in accordance with the Law on the Establishment of the KCGF and donors, appointed Mrs. Anila Statovci Demaj and Mr. Agan Azemi new independent members of the Board of Directors. At the regular meeting of the Board of Directors, held on September 22, with the unanimous decision of all the members of the Board of the KCGF, Mr. Agan Azemi was appointed Chair of the Board of Directors in our institution.



# KCGF PART OF THE BREAST CANCER CAMPAIGN

October 2023 – KCGF part of the October campaign and awareness raising against breast cancer “Early detection - saves lives”.



## KCGF PART OF THE PANEL “OPPORTUNITIES AND FLOWS OF SUSTAINABLE FINANCING”

October 2023 – The Kosovo Credit Guarantee Fund part of the discussion panel “Possibilities and the flow of sustainable financing” represented by Mr. Besnik Berisha, managing director of KCGF. This discussion panel is part of the Sustainable Finance Forum, an important economic event organized regularly. This forum was organized by the Central Bank of the Republic of Kosovo (CBK), the Association of Banks of Kosovo (SHBK), the Sustainable Banking and Financing Network (SBFN) and the International Financial Corporation-IFC (a member of the World Bank Group) in partnership with the Swiss State Secretariat for Economic Affairs (SECO).



## KCGF GATHERED MEDIA REPRESENTATIVES FOR AN INFORMAL LUNCH

October 2023 – KCGF gathered media representatives and journalists at an informal lunch to thank them for their cooperation and support during the year. Journalists from RTK, KTV, KlanKosova, Ekonomia Online, Telegrafi, and RTV 21 were present.





## KCGF PART OF THE PANEL “ACCESS TO FINANCE FOR WOMEN IN BUSINESS”

**November 2023** – KCGF was part of the discussion panel “Access to finance for Women in Business” organized by TEB bank during the Global Entrepreneurship Week Kosovo.



## KCGF PART OF THE CONVENTION OF WOOD PROCESSORS

**November 2023** – KCGF FK GK – part of the woodprocessing convention. Mr. Besnik Berisha, Managing Director KCGF, presented the export window, as a guarantee scheme designed for businesses that export their products.



## KCGF HELD THE LECTURE “ROLE AND IMPORTANCE OF GUARANTEE SCHEMES”

**December 2023** – KCGF as part of its regular activities, held a lecture entitled “Role and importance of guarantee schemes” with special emphasis on guarantee schemes for farmers and agribusinesses. The lecture was held at UBT - Higher Education Institution in Pristina, Faculty: Food Sciences and Biotechnology - in the class of Professor Vezir Jonuzi.



## THE ROUNDTABLE ON FACTORING WAS HELD

**December 2023** – The USAID Kosovo Compete Activity project, together with the Kosovo Credit Guarantee Fund (KCGF), held a discussion panel entitled “Evaluation of the possible risk sharing instrument for factoring”. KCGF represented by Mr. Besnik Berisha, Managing Director, and Mr. Alban Kastrati, Senior Risk Manager, spoke about the prospects of including Factoring products in the possible risk sharing structure. Participants in this roundtable were representatives from the registered financial institutions, sectorial and business associations, SMEs from the wood and food processing sector, insurance companies and representatives of Kosovo institutions.



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