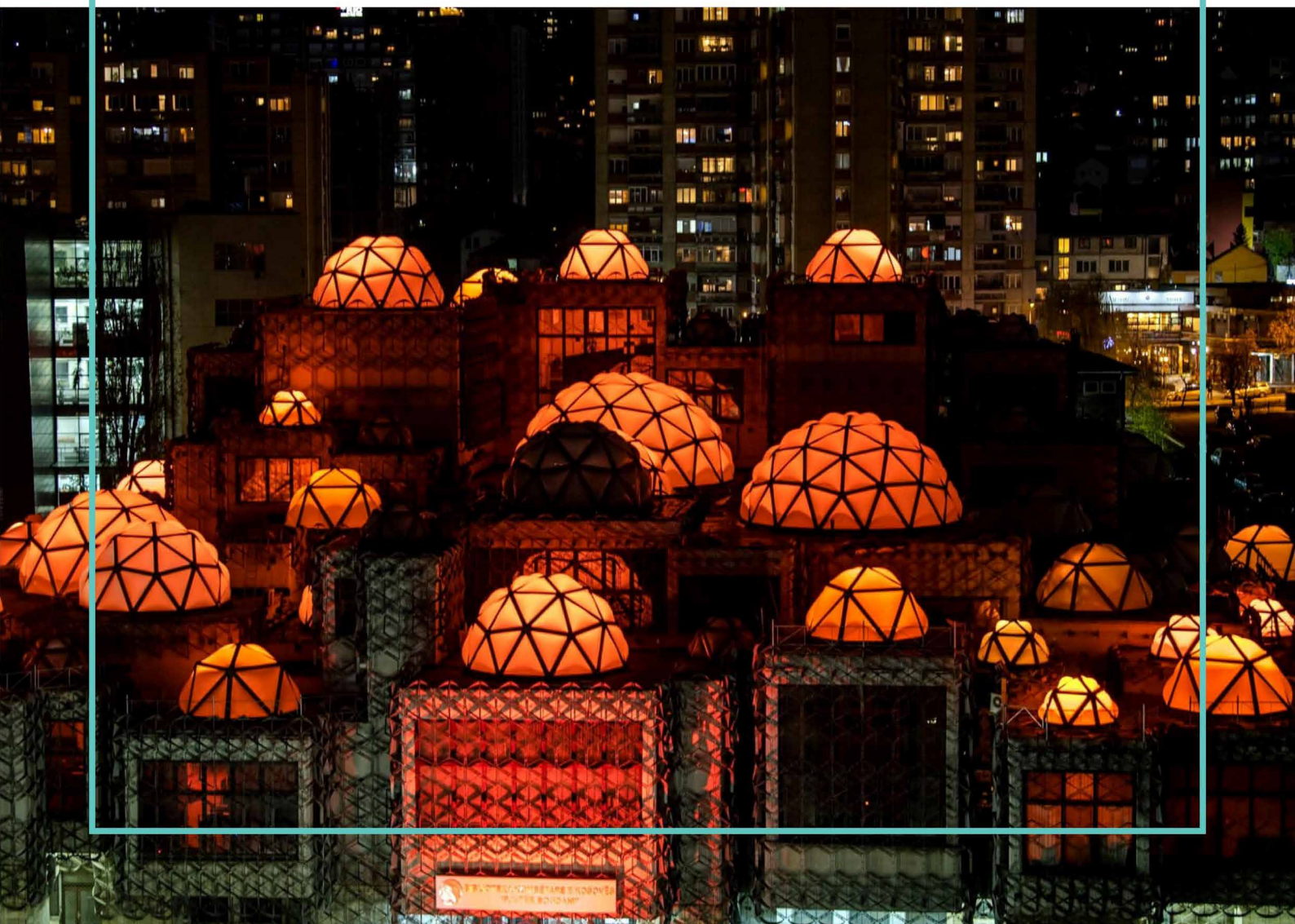




WOMEN IN BUSINESS FOR A DEVELOPED ECONOMY



DONORS



GOVERNMENT OF KOSOVO



US AGENCY FOR
INTERNATIONAL DEVELOPMENT
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Financimi përfiton nga mbështetja e Bashkimit Evropian në kuadër të Fondit për Garantinë e Kredive të krijuar sipas Rregullores (EU) Nr. 1287/2013 të Parlamentit dhe Këshillit Evropian për krijimin e Programit për Konkurrencë dhe Ndërmarrjeve dhe Ndërmarrjeve të Vogla dhe të Mesme (COSME) (2014-2020).



EUROPEAN INVESTMENT FUND (EIF)



MILLENNIUM
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Dear reader,

We are pleased to present the third edition of the bulletin!

The bulletin has a simple mission - to inform the public about our institutions initiatives and activities as well as inform readers about events about economic and financial topics, in order to be more transparent toward public. We are witnessing a very dynamic period which includes a series of activities such as training, signing agreements with partners, presence in media, numerous orientation sessions for our partners and many other activities included in the bulletin. Third edition is dedicated to a special topic "Women in Business" as a crucial theme for economic development for every society. In this edition, we have listed all activities of the Fund from July up to end of December 2021, as we are witnessing a dynamic of many activities: training sessions; signing of the agreements; roundtables, presence in media, orientation sessions for our partners and many other activities.

Pleasant reading!

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

PREFACE

Dear readers,

It is my honor and pleasure to write the preface of the third edition of the KCGF bulletin. The theme of this edition is women in business, as a dominant and growing force in small business ownership.

Entrepreneurship plays an important role in the economic empowerment of women. Scientific studies show that economic empowerment of women and, consequently, gender equality result in economic growth and sustainable development, as women make up half of the world's population. While women entrepreneurs comprise over a third of all entrepreneurs in the world, in Kosovo this percentage is much lower (around 13%). One of the main barriers for women to start a business is lack of capital.

The vast majority of women do not inherit property, thus the lack of collateral, as well as the lack of business track-record, impacts and makes further difficult access to finance. Moreover, gender attitudes, social norms and beliefs create additional barriers for women, making it difficult for them to start or grow a business venture. Despite these challenges, in recent years there has been a positive trend of more women-run businesses.



ARTA HOXHA

Member of the Managing Board –
Chair of Auditing Committee KCGF

The COVID-19 pandemic has negatively impacted MSMEs which have a limited capacity to absorb pandemic shocks due to smaller inventory, smaller customer base, and more limited access options to finance compared to bigger enterprises. These challenges were more emphatic on women's businesses, as women are largely owners of micro-businesses in the sectors most affected by the COVID-19 pandemic.

Considering the above, KCGF has included in its institutional objectives the provision of better opportunities for the less served sectors and categories of the economy, including women. Since its establishment, KCGF share of guaranteed loans for women in business is over 12%.



Entrepreneurship plays an important role in the economic empowerment of women. While women entrepreneurs comprise over a third of all entrepreneurs in the world, in Kosovo this percentage is much lower (around 13%).

In addition, KCGF, through the Banking Sector Strengthening Project financed by the World Bank, has launched a special window with more favorable conditions for credit risk sharing with partner banks, enabling risk coverage of up to 80% for enterprises where women are owners or co-owners.

I would like to invite you to read the selected articles in this issue and use this opportunity to thank all contributors for enriching this edition of the newsletter with their contributions about women in business from their perspective, their experiences and professional viewpoints.

I hope you will enjoy reading this issue and I look forward to your comments. Lastly, I wish you all a happy, prosperous, and healthy New Year!



KOSOVO WOMEN ENTREPRENEURS OPPORTUNITIES AND CHALLENGES

With few exceptions' success stories, women in Kosovo face significant challenges when it comes to their involvement in economic life, be that as employers or employees.

Although women represent half of Kosovo's population, their active involvement in economic activity, compared to men, remains rather low.

Equal representation of women in the public and economy is a prerequisite for economic development of the country. Among other, more employed women mean more new jobs, improved family well-being, reduced poverty, and higher level of education in the country. Development of entrepreneurship is closely linked to job creation, new investment opportunities, innovation, and a more creative approach to problem-solving. Although starting a business in Kosovo has no costs, access to finance is considered one of the main obstacles facing women-owned enterprises.

According to the data, only 11.42% of entrepreneurs in Kosovo are women. The trend is increasing, albeit rather slowly. In comparison to low-income countries in the world, where the percentage of women entrepreneurs is 37%, it can be concluded that more favorable policies for empowerment of women are needed in Kosovo.

Although women entrepreneurs face many challenges, the main motivations encouraging them to start businesses are providing better income and welfare for them and their family, and the potential for financial gain and increased job opportunities.

Data available indicates that women entrepreneurs are mainly focused in the services sector (beauty salons), trading and



SAXHIDE MUSTAFA
Deputy Executive Director
RIINVEST INSTITUTE

wholesale, education, health, with a lower interest in food processing, hospitality and tourism. Approximately 95% of women businesses are micro and small. In terms of their registration form, these are mainly individual businesses (78%), limited liability companies (20.4%), partnerships (0.51%), and others (0.49%).



Approximately 95% of women businesses are micro and small. In terms of their registration form, these are mainly individual businesses (78%), limited liability companies (20.4%), partnerships (0.51%), and others (0.49%).

The slow economic development in the last two decades due to the war has created an unfavorable environment. However, the state's commitment to provide facilities for doing business was also insufficient, despite some progress with reforms.

Although women entrepreneurs are considered important contributors in economy, many of them work or are involved in the informal sector, and their real contribution remains unregistered and shadowed as a result.

Women entrepreneurs face various internal or external barriers, including lack of managerial skills, value chain management; financial and administrative barriers, small market, lack of adequate and modern equipment according to international standards, and another major barrier is the lack of possession of property, which has been reflected in the lack of access to sources of financing, etc. Of the 11.42% women entrepreneurs, only 21% own the business premises where they operate, while only 12% have qualified and received loans for investment purposes.

Work life balance remains impossible without good public policies. The Labor Law is also another major obstacle, particularly the maternity leave provisions. Naturally, women entrepreneurs employ more women, which is why they face numerous difficulties in terms of paying maternity leave.

This situation can be changed, if this burden is to be shared in a more balanced way, between the public sector, the private sector, and households. For several years the Women's Economic Forum and other civil society organizations have been advocating for maternity leave payments to be regulated in favor of the private sector and the NGO sector, as they have a high number of women employees. The Chambers of Commerce have also supported this initiative, namely for the burden of maternity leave should be carried by the state.



Women entrepreneurs face various internal or external barriers. But as a major barrier is the lack of possession of property, which has been reflected in the lack of access to sources of financing.

Improving the position of women in the economy is a challenge for the entire society. There is a need for a higher awareness of women employers and employees regarding their participation in the formal market, as this will help them to develop and gain a better position in society. The government should take further steps to improve policies dealing with economic empowerment of women.

In the last decade, central and local governments have created incentives and criteria for women entrepreneurs, so they could benefit through grants and subsidies. However, practice has shown that the management of grants and subsidies by central and local governments has been a poorly managed process, associated with corruption scandals. This is unfortunate as many women entrepreneurs are left without incentives while grants often end up in fictitious companies.

International organizations and agencies have also created a significant role in Kosovo women's economic empowerment, through various trainings, grants for manufacturing equipment and other services, participation in study visits and fairs to promote their products.

Kosovo Credit Guarantee Fund, as a very important institution, offers an additional incentive for the creation of new opportunities for women entrepreneurs, through their loan guarantee schemes.

KCGF should have a higher public visibility, including through meetings with businesses. The Central Bank of Kosovo and the Kosovo Credit Guarantee Fund can create additional incentives, including subsidies of bank interest, allowances of grace periods of 1 to 2 years for women in business. The support for women over these years has had a positive impact and will certainly improve access to tailored credit lines and guarantee schemes.

The central and local governments should continue to provide support and create affirmative action measures to support women entrepreneurs, as well as improve the legal and regulatory framework, with a focus on the provisions of the Labor Law. Support through the provision of vocational trainings in areas such as: building management skills; meeting standards and increasing product quality;

cooperation between companies and creating synergies in business, building trust between companies, are essential for women entrepreneurs. Digitalized processes are key and remain a great challenge for women entrepreneurs. Dealing with the Covid-19 pandemic has highlighted the need to advance in payment systems for online sales.

PayPal payment system has been raised by many women in business in Kosovo and the banking system in Kosovo should progress in this regard.

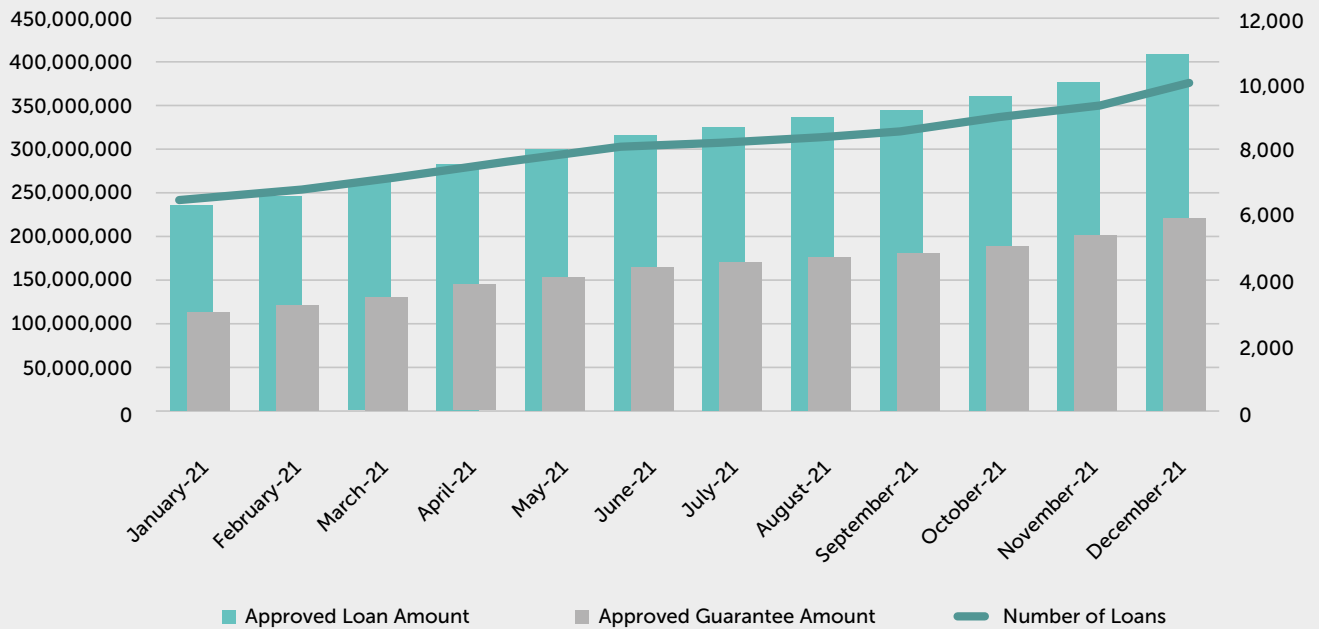
Gender imbalance in society can be reduced by increasing the collective engagement regarding gender roles, promoting and adhering to clear gender equality policies by governments and the society at large.

More participation of women in economic life means having healthier families and more prosperous societies.

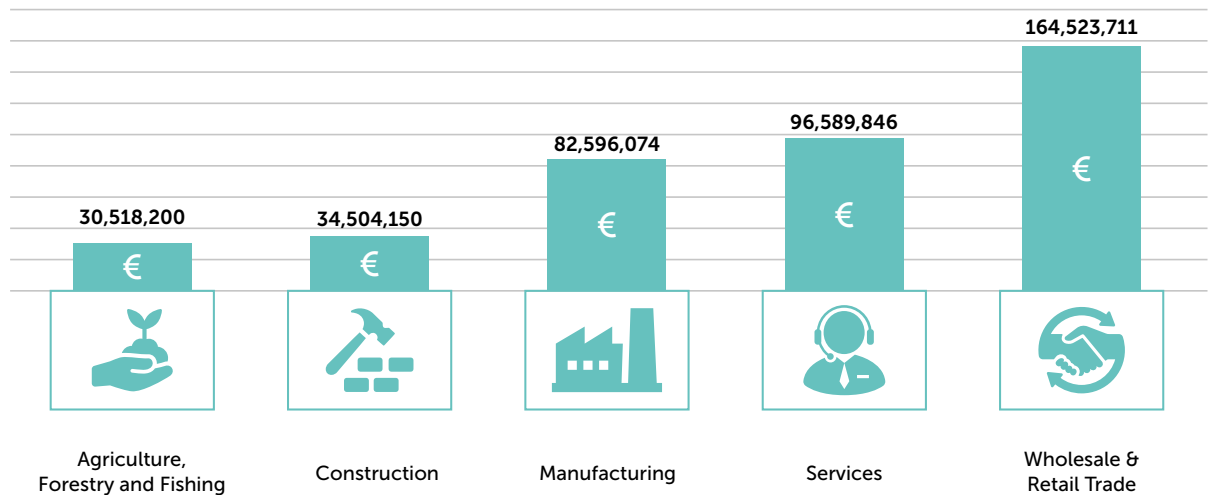




APPROVED LOANS



LOANS BY ECONOMIC SECTORS



TURNOVER INCREASE

BY 31 December 2021

10,064
loans to MSMEs



495.7 million euro

or more than 11% increase over the current turnover base of respective MSMEs.

BEING A WOMAN IN A LEADERSHIP POSITION

Interview with
Anita Kovacic, CEO,
Raiffeisen Bank Kosovo

1. What made you aim a leadership position?

It came naturally to me. Early on in my first years of my career, I realized that taking more responsibilities have energized me. Very often I volunteered to participate in new projects or took more tasks, without any prospect of promotion or additional payment. Nevertheless, I enjoyed it and appreciated the opportunities for learning new things and expanding my professional profile. Curiosity and learning have always been my guiding compass and they brought me to leadership positions. In addition to the curiosity and passion, I was fortunate to have had several good teachers and bosses, some of them were also my mentors and coaches. Now it is the time that I leverage on my experience and pass on my learnings to others.

Higher position, especially leadership positions came with much more responsibilities. Besides assuring good performance of your team or your company, the major responsibility is the impact you make on others, especially the colleagues you work with. As a leader, you must be aware of the impact you create within and outside the organization.

To answer your questions in short, I can't really say that I aimed the CEO position, but when the opportunity came, it was clear to me that I am ready to go for it.

2. How did you find the environment in Kosovo when it comes to women in leadership positions? How it is different from Vienna or other places you used to work?

From my perspective it is quite good. Three years ago, when I took the position



ANITA KOVACIC
CEO
RAIFFEISEN BANK KOSOVO

of Chief Risk Officer and came to Kosovo, my colleagues and friends were wondering how I will be accepted in Kosovo's culture. I answered then, and I still believe, that qualified and professional leadership approaches that bring good results, focus on improving organization and developing people transcend gender and other cultural differences. Speaking about openness and diversity, I must praise Kosovo for being open to foreigners and making us feel home. I feel well accepted in this country. Although I am learning basic Albanian, I am very impressed how well I get around with English. Language skills are one of the greatest assets in this country and a strong competitive advantage in the region.

When comparing Kosovo to Slovenia or Austria or Hungary or China, or other places where I lived throughout my career, as a woman in a leadership position, I have experienced the same challenges. The differences in these countries are that some of the countries have more experience with women in top positions,

especially in the private sector, and are more active in supporting women's networks and forums. On a positive note, over the past years, women are better accepted when applying for top positions as many countries and particularly international companies need to improve their gender diversity in leadership positions. But when it comes to public sector, especially in politics, Kosovo can be a good example with the second female president.



As a leader, you must be aware of the impact you create within and outside the organization. Many studies nowadays show that adding women to the labor market and especially to leadership teams, brings more balanced decisions and consequently companies and countries become more successful.

3. In your opinion, are there specific challenges for women in leadership positions?

I always look at challenges as opportunities. One of the challenges, in my experience is that women often need to show up more to be seen as potential leaders, and they are expected to be well qualified for the job they are applying, therefore, they often invest more in their career preparation, like broadening experience, taking more tasks, being more collaborative and well organized. This is particularly valid when we talk about women with children and what organizations need to be to manage households, children's education, and

career. On one hand, this is seen as a challenge, when on the other hand it can be a great motivation and opportunity to invest more in your future career. I am not saying that this always applies, but often it is observed. It doesn't go just with gender diversity, but also with other cultural differences. In my view, bridging diversity is about building trust and embrace open mindset. And when we are building trust, we have to be transparent and give more effort to be understood and accepted. In this respect, I truly appreciate Raiffeisen, that gave me opportunities to grow myself, recognized my efforts, and supported me in my career development.

4. In Kosovo, the number of women in leadership positions in public institutions has increased recently but in business, their number is still limited. How do you see the role of the women in leading a business?

You have many great women in public and in private sectors. Kosovo is represented by a woman president and the biggest two banks are represented by women too. I noticed that in Kosovo many women have started small businesses, especially in beauty care, textile fashion industry, and arts, and this is great!

Nevertheless, there are many more women that we need to support as society on their professional journeys. To give them fair opportunity to express their talent and develop their potential and this will further enrich diversity of Kosovo labor market. Many studies nowadays show that adding women to the labor market and especially to leadership teams, brings more balanced decisions and consequently companies and countries become more successful.

5. What would be your suggestion for other women who aspire leadership positions in business?

Be courageous, be confident, be professional and most of all follow your inner ambition and stay true to yourself!

WOMEN'S NETWORKS AND NETWORKING

Networks and networking are forms of organization which allow their members to create different values, with the objective of all participants and contributors of the network to achieve various benefits, in one form or another. Regardless of the socio-economic area in which an entity may belong, participation in a network provides benefits and added value. The same goes for entrepreneurship, where different businesses use networks and the benefits that members have, to utilize opportunities to develop and grow their businesses. Participation or membership is of particular importance for businesses founded and run by women.

According to the article "Why Female Entrepreneurs Should Join Women's Networks?" published in the Forbes magazine, women who are part of a business community are twice as likely to grow their business as those who do not belong to a network.

Through being part of a network, women in business are empowered with exposure of their businesses, support for advancing their businesses into sustainable enterprises, making new connections, and have access to various financing opportunities. The latter has been recognized as one of the main issues for all businesses in Kosovo, particularly women's businesses.

Women who are in the first years of their businesses can benefit the most by becoming a member of a network, enabling them to meet and collaborate with women who have longer experience. In addition to sharing experiences and lessons learned, they will also be able to learn what challenges they may face on their journey to success.



ILIRIANA JAKA GASHI

Executive Director
NGO WOMEN 4 WOMEN

The digital age in which we live enables women to continue to collaborate through social media informally and thus to coordinate and to access information more easily, given that this access can often be the key to success.

Creating a conducive environment for the successful operation of women-led enterprises is a common goal of every woman in business. However, women in business in Kosovo face many challenges. Organized advocacy, through organized networks, to create a conducive environment for women in business offers far more success than individual advocacy. The mission of women in business networks enables businesses to help each other achieve sustainable growth, contributing to economic development and improving well-being in Kosovo.



According to the article “Why Female Entrepreneurs Should Join Women’s Networks?” published in the Forbes magazine, women who are part of a business community are twice as likely to grow their business as those who do not belong to a network.

Western countries, where the number of women entrepreneurs is large, are also characterized by large numbers of women entrepreneur’s networks. In Kosovo, with a rather small number of women-owned businesses, and women entrepreneurship still in early stages of development, the need to be part of various networks is even greater.

In the Kosovo Chambers of Commerce, the number of women members is extremely small, albeit not too different compared to developed countries, which happens because the interests of men’s businesses are usually given priority and are usually bigger and more powerful.

Fortunately, there are several non-governmental organizations that work to create networks of women in business, including the Women’s Economic Forum, which is a member of the National Council for Economics and Investment.

Kosovo - Women 4 Women (KW4W), after 18 years of working in raising awareness of marginalized women about their rights and training skills for employment or self-employment, in 2017 began to support women owners or co-owners of businesses in building their capacities and provided grants to offer opportunities for sustainability and success. Our work is oriented in three directions: helping women who have ideas and are interested in starting a business, support for start-ups and businesses that are at the beginning of work to gain stability, and for small businesses to grow and employ more women. Since we pay special attention to business networking, in addition to meetings and various activities, we offer the businesses we work with access to the business incubator established in 2019, with the support of the Government of Kosovo.

Also, through an international consortium of the EYE program funded by the EC, of which we are a member, we offer the opportunity to start cooperation with any business in the region or Europe.



The mission of women in business networks enables businesses to help each other achieve sustainable growth, contributing to economic development and improving well-being in Kosovo.



KCGF MEMBER OF AECM

31

countries in Europe

AECM is the European Association of Guarantee Institutions. Its 48 members are operating in 31 countries in Europe.

2018

KCGF represents in AECM

Since 2018, the Kosovo Credit Guarantee Fund (KCGF) represents Kosovo within the AECM family.

1992

AECM founded in Brussels

AECM as an association is based Brussels. It was founded in 1992 in order to pursue the following three objectives:

- 1 Political Representation of its members towards EU institutions, the EIB Group, the OECD, etc.
- 2 Organisation of the exchange of best practices among AECM members
- 3 Promotion of the guarantee instrument

ADDED VALUE

FOR SMEs

Access to finance for viable companies

Additional support and expertise

Recognition of qualitative factors in risk analysis

Geographic coverage of all SMEs

In some guarantee schemes, SMEs / SME representatives participate in the management

FOR PUBLIC AUTHORITIES

Cost efficient as a result of risk sharing

High leverage effect

Costs are outweighed by benefits

Efficient way to implement policy objectives e.g. public support for specific sectors

FOR BANKS

Reduction of its risk exposure

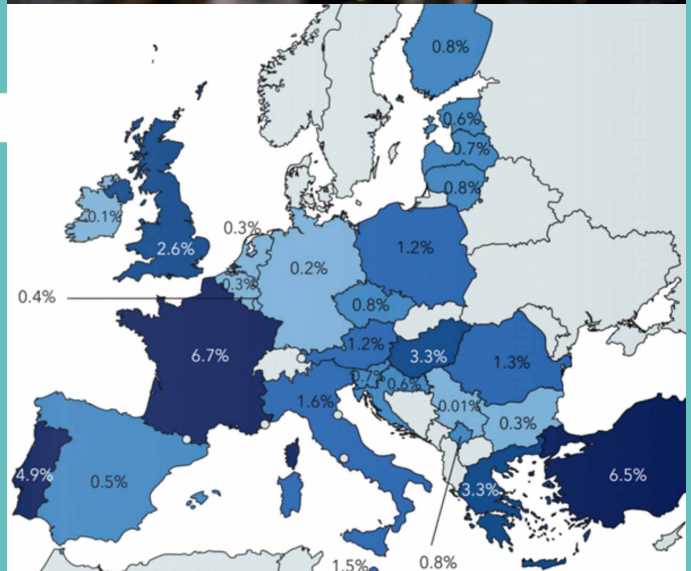
Increase of lending activity

Guarantees might provide capital relief

Additional expertise results in stronger decision

High level of liquidity of guarantee in case of default.

GROWING TOGETHER



WHY ARE WOMEN MISSING IN THE DECISION-MAKING TABLE?

Globally, the position of women in senior management is gradually increasing. In 2019, the percentage of women in senior management roles increased to 29% globally, recording the highest number ever.

This global progress is not, however, reflected in Kosovo. In our country, women in the labor market still face restrictive barriers, especially if they aim for leadership or decision-making positions. Participation of women in the labor market is about 22.5%, i.e. 78.5% of women are inactive compared to men with 41%. Although efforts have been made and steps taken to improve the position of women in the society and the labor market, the unemployment rate among women in Kosovo remains high.

Improving the position of women in the society requires commitment and greater support from all, through favorable policies and relevant implementation mechanisms. Above all, we need to detach ourselves from traditional gender roles.

For Kosovar women, leadership positions in institutions, but also in private companies remain unattainable. The number of women in management positions in Kosovo remains extremely low. In only 3% of management positions are women.

In our patriarchal society, traditional gender roles are more difficult to remove. In the absence of policies for the advancement of the position of women, women are forced to bear the obligation of caring for family members, for the household. This burden, which they do alone, is considered unpaid work. In the absence of government policy coordination to improve this position, women will still have to decide between employment and starting a family, while men are the ones who must work to support the family. Law of an economic



NORA HASANI
CEO - GERMAN KOSOVO CHAMBER
OF COMMERCE

empowerment makes women powerless in decision-making. Traditionally imposed roles on women put them in a more difficult position in negotiations, both at work and at home.



For Kosovar women, leadership positions in institutions, but also in private companies remain unattainable. The number of women in management positions in Kosovo remains extremely low. In only 3% of management positions are women.

As I write this, I'm in my office, after regular working hours, overtime, like many times before. I am a woman who has broken the so-called glass ceiling *, managing to make a career in a male-dominated field. Success in a career as a woman in Kosovo means greater commitment, you have to work harder, sacrifice more and prove yourself many times more often than men, who are often even less competent and less capable than you and not allow to be unprepared. Otherwise, you cannot secure an equal place at the masculine table. However, an additional burden is placed on our shoulders.

As we are few women in decision-making positions, we also have the responsibility to represent not only our work, but also our gender. Only through our results in managerial positions we can contribute in breaking down prejudices against women in leadership. Even if this is achieved, there are daily attempts to place a new ceiling over your head. Because every day you will face a battle, where at all costs they will want to minimize your achievements. At all costs they will want to put you in the small drawers of conforming to traditional gender roles. If it were otherwise, we would not be just 3% women in managerial positions.

German sociologist Jutta Allmendinger, in one of her interviews for the daily "Die Zeit", says that working women have the potential to change the world, but only if they change existing structures, which constantly promote stereotyping.

The situation on the ground is painful because it is becoming increasingly clear that women are lacking in management in private enterprises. In most cases women deal with finances, sometimes assigned to another operational position, but they are not present in decision-making meetings, they are not asked, they do not participate in discussions. Of course, there are exceptions, but they are not the rule.

Companies must work towards a gender balance as an ultimate issue. They must show willingness and commitment to



The key factors that prevent women from reaching decision-making positions are company culture, prejudices toward women, gender-based discrimination in employment and subsequent career advancement of women, as well as the constant battle of balancing domestic and family responsibilities.

improve the system internally, not just as an issue identified by the human resources department, or as a facility to receive grants.

The key factors that prevent women from reaching decision-making positions are company culture, prejudices toward women, gender-based discrimination in employment and subsequent career advancement of women, as well as the constant battle of balancing domestic and family responsibilities (let's not forget the traditional gender roles we mentioned above in this article!).

Also, there is a lack of legislation supporting flexible working hours, and the labor law, namely the specific provisions on maternity leave, paternity leave, and parental leave remain a requirement that must be met. The private sector in Kosovo should be stripped of its traditional culture, as family businesses are also dominated by men.

Because of the prejudices they have, in various situations in business meetings, in

events where my appearance was required - initially they guided me towards spaces where the owners' wives stayed, not the owners or the directors of the companies themselves. Because "women stay with women and do not mix with men". The irritation I see and feel when I insist on staying where I belong is painful - as it highlights the deep roots of the patriarchy in our pseudo-modern society, where about 79% of women are inactive in the job market.

In my first meetings as executive director, the first reaction in many cases was "Where is the boss?". When we reached the stage of establishing authority and proving competence over who is the boss, regardless of my age and gender, the key topic to this day remains why I discriminate against men and employ women. My team, which in different periods of development of our organization has been composed of only women, has not only broken transparent barriers, but also many prejudices that dominate Kosovo's society and we have encouraged, directly and indirectly, discussions about women's employment. I do not remember hearing such a discussion, in forums when only

men are employed, or more men than women - whether in an institution or an enterprise. There, this is taken for granted, and does not constitute discrimination.

In recent years, although at a slow pace, Kosovar women are trying to overcome the difficulties and negative attitudes towards them, but also to be more courageous and seek their place at the decision-making table. Until we make more progress, it is also the obligation of women who have managed to break the thick glass ceiling in Kosovo to ask, "why are women missing from the decision-making table" and should encourage debates, both directly and indirectly, about the employment and representation of women.

* What is the glass ceiling?

The glass ceiling is a metaphor for the invisible barrier that in most cases hinders women at work, and women who want to rise to high positions.

The author is Executive Director of the German-Kosovo Chamber of Commerce. The views expressed are personal and do not necessarily reflect the views of the institution.



NATURA G

A Business Lead by a Women

On our way from Prishtina to Ferizaj, going through the old road, not far from the entrance to Ferizaj, in the place called Prelez i Muhaxherëve, among the many businesses there, we visited the NATYRA-G Cheese House.

Shemsija, a smiling lady, full of energy, welcomed us at the workplace which she and her husband, Idriz, started in 2015. A plant of natural dairy products, with a variety of products such as soft and hard cheese, cottage cheese, yogurt as well as many other types of products, distinguished for their authenticity and pure natural structure.

The plant now has new machines, where the dairy products are processed, packaged and prepared for distribution. **"Here, everything is BIO" - because this is the concept of our business we designed from the beginning** - says Ms. Shemsije, a hardworking lady who is the initiator of this business idea.

"I have always dreamed of growing my business, have modern and sophisticated equipment that facilitates and enables quality production of natural products.

Now, we have managed to get the desired equipment, we bought it through the loan that was issued to us by a bank, guaranteed by the Kosovo Credit Guarantee Fund.

"This loan was approved very quickly, without collateral and with shortened procedures. As a client who regularly repaid all loan installments, we had an advantage and were qualified to invest further in our business" - Shemsija told us.

We have recently increased our capacities and have over 20 full time employees. Today we work with a processing capacity of 2500 liters of milk per day, although our processing capacity can reach up to 70,000 liters, which is our goal for the future - said Mr. Idrizi, a man who always stands by Shemsije, the lady known for her organizational skills, and who is responsible for all operational work in this business.

NATYRA-G, a family-owned business has involved all family members. It built its modern plant step by step, year after year, investing and increasing the production capacity with all-natural milk.



Financimi përfshirë nga mbështetja e Bashkimit Evropian në kuadër të Fondit për Garantimin e Kredive të krijuar sipas Rregullores (EU) Nr 1287/2013 të Parlamentit dhe Këshillit Evropian për krijimin e Programit për Konkurrencë dhe Ndihmë të Ndermarrjeve të Vogla dhe të Mesme (COSME) (2014 -2020).



The support for this investment came through with the loan guaranteed by the Kosovo Credit Guarantee Fund, together with the COSME Program of the European Investment Fund supporting access to finance for MSMEs at different stages of their life cycle, such as during the creation, expansion, or transfer of business.



ACHIEVEMENTS BY 31 DECEMBER 2021

16,390

NEW JOBS CREATED

1,174



Agriculture,
Forestry and
Fishing

3,279



Manufacturing

5,561



Wholesale and
Retail Trade

1,717



Construction

4,659

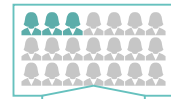


Services

An estimation reported by the beneficiaries

LOANS TO WOMEN IN BUSINESS

12.5% of guaranteed loans
are for female entrepreneurs



12.5%



KCGF ACHIEVEMENTS AS OF 30 DECEMBER 2021



KCGF PART OF THE PANEL IN THE WEBINAR “SUSTAINABLE FINANCE FOR FINANCIAL INSTITUTIONS”

July 2021 - The Kosovo Credit Guarantee Fund was part of the panel in the webinar “Sustainable Finance for Financial Institutions” organized by International Finance Corporation (IFC) and Recura in cooperation with the Swiss Secretariat for Affairs Economic SECO.

In this panel the Senior Manager for Guarantees in the KCGF Mrs. Nora Arifi, informed the participants about the current KCGF activities related to the Environmental and Social Management System (ESMS), support provided for implementation of ESMS by Institutions Registered in KCGF, as well as for the measures being taken by KCGF in order to ensure that secured loans have a positive climate impact by giving them subject to environmental control and due diligence in accordance with ESMS requirements.



KCGF BEGINS WITH FULL IMPLEMENTATION OF THE ENVIRONMENTAL AND SOCIAL MANAGEMENT SYSTEM

July 2021 - The Kosovo Credit Guarantee Fund has already started full implementation of the Environmental and Social Management System (ESMS). In line with our institutional efforts to contribute in economic development, with full responsibility for the environment and society, KCGF together with IRFs will use the highest environmental and social standards to mitigate the adverse environmental impacts of funded projects.

KOSOVO SOLAR FORUM 2021

July 2021 - Kosovo Credit Guarantee Fund participated in the Solar Forum organized by the Ministry of Economy and USAID. The purpose of this Forum was to promote the highlights of consumer markets and new solar projects in Kosovo. In this event, the website was launched and the draft concept document on the Law on Renewable Energy was discussed.

KCGF PUBLISHES ITS ANNUAL REPORT FOR 2020

August 2021 - Kosovo Credit Guarantee Fund (KCGF) published Annual Report 2020. Annual report presents results, achievements and activities during 2020. KCGF has continued to pursue the mission towards strengthening access to finance for MSMEs, as well as to support the recovery of the private sector and the economy of Kosovo in general. Despite the perception of credit risk in the market was at its highest, we pressed on, without any hesitation, despite the public health and economic crisis, to maintain our two existing guarantee windows, the regular window, and the agro window. This was intended to convey to our partners a message of confidence and certainty, which was in turn highly praised by the banking community and the private business community. In addition, KCGF played a crucial role at all stages of the design and implementation of the economic recovery program, culminating with the launch of five guarantee windows, with the aim to boost lending confidence via increasing credit risk coverage by up to 80% for certain economic sectors.



KCGF LAUNCHES THE START UP WINDOW WITHIN ECONOMIC RECOVERY PACKAGE

August 2021 – KCGF launches Startup Window within the windows of the Economic Recovery Package. Startup window is a new guarantee line that will operate within the KCGF with the purpose of supporting New Enterprises through loan guarantee. This window plans to increase credit guarantee coverage up to 80% of the value of credit. Also, will address the needs of this particular market segment.



This window is expected to help access in finance for the affected new enterprises from the crisis. It is expected to support access to finance for new enterprises in value up to 2 MM € for the period up to 31 December 2021. This window in this time of pandemic, will be an added value as for the last beneficiaries (START UP Businesses) that will be able to access finance with better lending terms, as well as for Financial Registered Institutions (FRI) which will have opportunity to share a large portion of credit risk with the KCGF. A window of such has been assessed by Financial Institutions which see it as necessary support for new businesses that have more limited access to finance. This event marks another moment for the Kosovo Credit Guarantee Fund, toward realization of institutional objectives, which first of all is facilitating access to finance for start-ups.

KCGF SIGNS AGREEMENT WITH KREDITIMI RURAL I KOSOVËS

15 September 2021 - At the premises of the Kosovo Credit Guarantee Fund (KCGF), was signed agreement with KRK – Kreditimi Rural i Kosovës. This agreement was signed to guarantee agricultural loans within the KCGF Agro Window. This event marks the further expansion of the agreements that KCGF implements during this year with Microfinance Institutions by offering agricultural loan guarantees to local farmers and agrobusinesses. So far, about 27 million euros of Agro Loans have been guaranteed and there are about 9 million euros of active guarantees in this sector. The total capital for Agro Window is in the amount of 11.5 million euros which is fully financed by the German Government, through the German Development Bank – KfW.



FKGK HELD VIRTUAL MEETINGS WITH WOMEN IN BUSINESS – ORGANIZED BY RIINVEST

September 2021 – KCGF held a virtual meeting with Women in Business. During this meeting organized by RIINVEST were introduced our guarantee schemes specifically for Women in business as well as general info of KCGF and Guarantee Schemes.



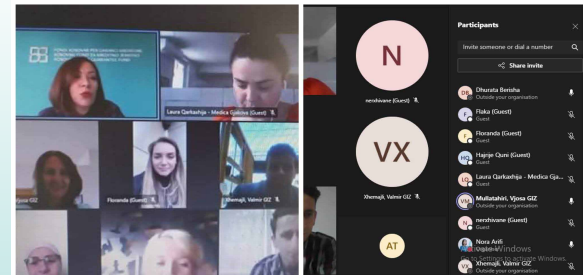
ORIENTATION SESSIONS FOR START UP WINDOW

September 2021 – Kosovo Credit Guarantee Fund held orientation sessions for Start Up Window after signing the agreement with Registered Financial Institutions (RFI). There were organized five sessions, participated around 255 staff members from FRIs. During these sessions, it was discussed about the role of guarantee schemes in general, windows within the ERP emphasizing Start Up Window which was launched on august this year.



KCGF ATTENDS VIRTUAL MEETING WITH START-UPS – IN COOPERATION WITH GIZ

October 2021 - KCGF held a virtual meeting with interested StartUps. During this meeting organized by GIZ were introduced our guarantee schemes specifically for STARTUPS as well as general info of KCGF and Guarantee Schemes.



TRAINING FOR THE STAFF MEMBERS OF KRK – AGRO WINDOW AND HOW TO USE AGROSOFT APPLICATION

October 2021 - During October, Kosovo Credit Guarantee Fund held a training session on AgroSoft platform with staff members of KRK –Kreditimi Rural i Kosovës (KRK) as part of the regular training sessions package after signing the agreement with MFIs. Through this platform, KCGF helps a easier access to finance for farmers and local agrobusinesses. There were three groups trained , in total 61 staff members of KRK.



WORKSHOP WITH JOURNALISTS WAS HELD ECONOMIC AND FINANCIAL JOURNALISM 2021 “LETS MAKE NEWS FROM THE NUMBERS”



October 2021 – – Kosovo Credit Guarantee Fund and Kosovo Bank Association organized a two day workshop, topics were: ***“Economic and Financial Journalism 2021– Lets make news from the numbers”***

In this workshop were present journalists from different audiovisual and online media were present. It was discussed about banking sector, the importance of guarantee schemes, as well as the general topics on economy. Representatives of Kosovo institutions CBK, TAK; Kosovo Treasury Office, donors - KfW as well as business representatives were part of the discussion panels, topics were:

- Effect of the Covid19 pandemic on the banking system and economic development in Kosovo;
- Inter-institutional cooperation with the financial system to maintain stability and promote economic development.
- Government measures for economic recovery.

This workshop brought a very collaborative atmosphere and was considered an excellent opportunity for all participants to discuss about the banking sector & economy in general.



TRAINING ON ENVIRONMENTAL CATEGORIZING – ENVIRONMENTAL AND SOCIAL MANAGEMENT POLICIES

October 2021 - During October, Kosovar Credit Guarantee Fund held training on application on SMMS for FRI. Training was optimized based on existing capacities of FRI. Three sessions were held with 20 participants each. Total number of trained staff is 61 staff members from KRG.



KCGF REPRESENTATIVES WERE PART OF DISCUSSION PANELS IN "GLOBAL ENTREPRENEURS WEEK"

November 2021 - TEB Bank organized a discussion panel "Access in Finance for Women in Business". Representatives of Government, international and local institutions, jointly with TEB representatives discussed about financing of business activities for Women in Business, as part of Global Entrepreneurs Week.



START UPS AND ACCESS TO FINANCE



November 2021 - During "Global Entrepreneurs Week" – VentureUP organized a meeting with StartUps in order to discuss on:
1) challenges of entrepreneurs in Kosovo, and
2) opportunities for easier access in finance for StartUps in Kosovo.
This meeting was organized jointly with Jakova Innovation Centre (JIC) and KCGF, EBRD and some commercial banks, to present their offers designed for StartUps.

GERMANY SUPPORTS THE KOSOVO CREDIT GUARANTEE FUND

25 November 2021 - It is signed the agreement between Kosovo Credit Guarantee Fund and German Development Bank. **Additional 6 million euro for KCGF – SMME can benefit from green investments.**

Opening speech was held by Mr. Rinor Gjonbalaj – Boar Director KCGF. Agreement is signed by Dr. Klaus-Martin Müller, Director for CEE and Turkey from KfW and Mr. Besnik Berisha – CEO of Kosovo Credit Guarantee Fund. In this ceremony were present Mr. Hekuran Murati – Minister for Finance of the Republic of Kosovo; Mr. Jörn Rohde – German Ambassador in Kosovo; Fehmi Mehmeti Governor of the Central Bank of Kosovo; Dr. Klaus-Martin Müller, Director at KfW for CEE and Turkey. All held a speech during the ceremony.

As a sign of gratitude for continuous contribution and support made by KfW – German Development Bank; KCGF handed over an acknowledgement.



KCGF PART OF THE PANEL ORGANIZED BY USAID PROGRAM - KOSOVO COMPETE ACTIVITY

December 2021 - Kosovo Credit Guarantee was part of the panel at the event "Partnership Between Equipment Sellers with Leasing and Financial Institutions of Leasing in the Wood Processing Industry" organized by the USAID Program- Kosovo Compete Activity in cooperation with the Association of Wood Processors of Kosovo (SHPDK) and Raiffeisen Leasing Kosovo (RLKO). In this panel the Senior Guarantee Manager of KCGF Mrs. Nora Arifi, informed the participants that within the PRE, KCGF has designed windows that address the manufacturing sector, as well as the ongoing measures that has been taken in order to support this sector that helps economic development and export growth.



KCGF IN MEDIA

September 2021 - Interview with Mr. Kastriot Këpuska, Agro Expert, in program "7 ditë me Panxhën" in Klan Kosova. Discussion topics was "Guarantees and financing based on agreements". Discussion was focused on opportunities of financing the Agro businesses and the role of KCGF in financing g this important sectors for economy, emphasising time of pandemic.



September 2021 - Interview with Senior Risk Manager in KCGF mr. Alban Krasniqi, in morning program in RTK - "Miremengjesi Kosovë" it was discussed the role of KCGF within ERP and guarantee schemes in general and promoted StartUp Window.



September 2021 - Interview with Senior Risk Manager in KCGF mrs . Nora Arifi in the morning show in ATV. Main discussion topic was launching of Startup Window, its features and qualification criteria and guarantee schemes of KCGF in general.



October 2021 - - Interview given by Managing Director for EkonomiaOnline - Credit Guarantee Fund with additional € 40 million, priority for businesses that do not harm the environment. The Executive Director of the KCGF, Besnik Berisha, told Ekonomia Online that these funds will be allocated to businesses that will be going through a evaluation process by financial banks in Kosovo. "40 million that is expected to be donated by the Government of Kosovo from the Loan from the European Investment Bank will be aimed at increasing the capital of the KCGF, capital that will serve to support the basic operations of the Fund and that is the provision of credit guarantees for partner banks in the financial sector of Kosovo".



November 2021 - Presentation of KCGF in the morning show "SOT" in national broadcaster Kohavision - Main topic was: 40 Million Euro to support SMME – attended by KCGF CEO Mr. Besnik Berisha.

November 2021 - Presentation of the Fund by its CEO Mr. Besnik Berisha during the News show at 15:00 ini National Broadcaster RTK. It was presented support from EIB with additional 40 Million Euro in capital for KCGF.





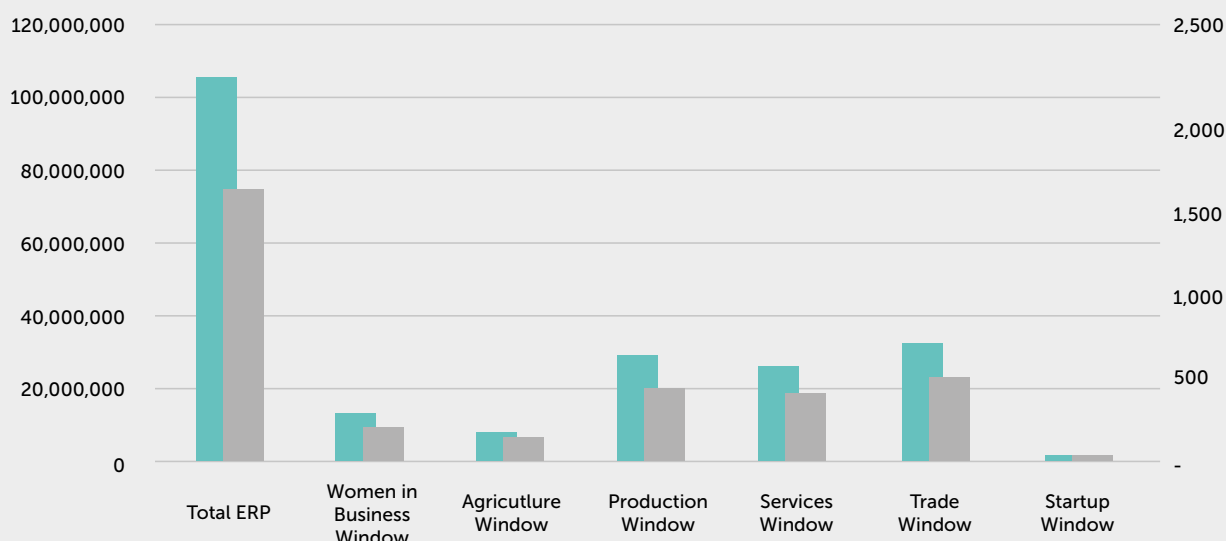
PORTFOLIO DEVELOPMENT OF THE WINDOWS WITHIN ECONOMIC DEVELOPMENT PACKAGE

DEVELOPMENT OF ERP



PORTFOLIO DEVELOPMENT BY EACH WINDOW

ERP WINDOWS



Loan Amount	105,555,705	11,736,215	6,971,200	28,719,074	25,453,740	31,840,876	834,600
Guarantee Amount	74,948,973	8,592,222	5,226,910	19,943,859	17,956,255	22,572,077	657,650
Number	2,015	269	152	394	593	572	35

YEAR END MESSAGE FROM KCGF STAFF





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

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