



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

KOSOVO CREDIT GUARANTEE FUND



Istanbul, May 2025

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- Overview of the Kosovo Credit Guarantee Fund
- Guarantee Windows and Portfolio Development
- Green Recovery and Opportunity Window



ABOUT US

ESTABLISHMENT, MISSION AND VALUES

The Kosovo Credit Guarantee Fund is an independent legal entity with a development orientation, which supports the increase of access to finance for MSMEs, by providing credit guarantees to lending financial institutions.

With our guarantee windows we aim to create a favorable climate for investments, focusing on supporting the development of local entrepreneurship and the creation of new jobs.

We are committed to sustainable corporate management and social responsibility, cooperating with donors, financial institutions and local regulators to serve the long-term interests of the economy, business and society in general.



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Main Institutional Goals

Financial Intermediation

Facilitate access to finance for MSMEs, support private sector, with special focus for underserved segments of market.

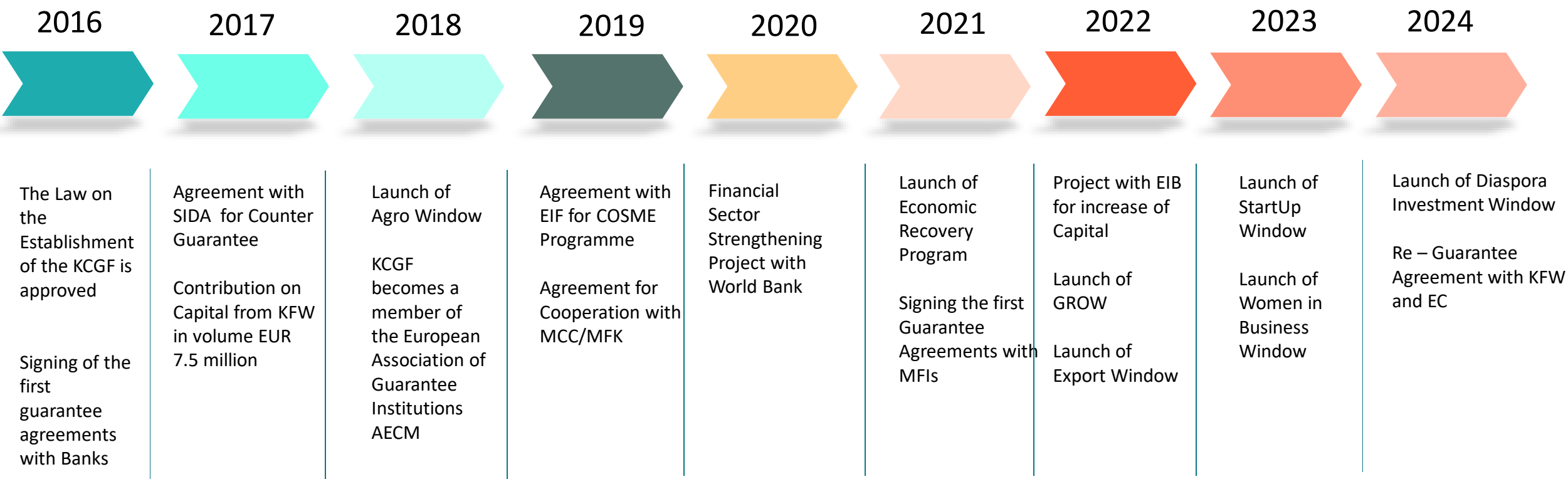
Financial Sustainability

Avoid negative financial performance, to avoid dipping into the capital of the institution.

Balance first two objectives

Make an impact in the real economy without harming long term sustainability of the institution.

MILESTONES /SHORT HISTORY



The USAID through the program – **Empower Credit Support**, prepared legal foundations, provided technical assistance to establish and make KCGF functional.

DONORS AND PARTNERS



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Republika e Kosovës
Republika Kosova - Republic of Kosova
Kuvendi - Skupština - Assembly



USAID
NGA POPULLI AMERIKAN
OD AMERIČKOG NARODA



KFW



THE WORLD BANK



SWEDISH INTERNATIONAL
DEVELOPMENT COOPERATION AGENCY



**MILLENNIUM
FOUNDATION
KOSOVO**



U.S. International
Development
Finance Corporation

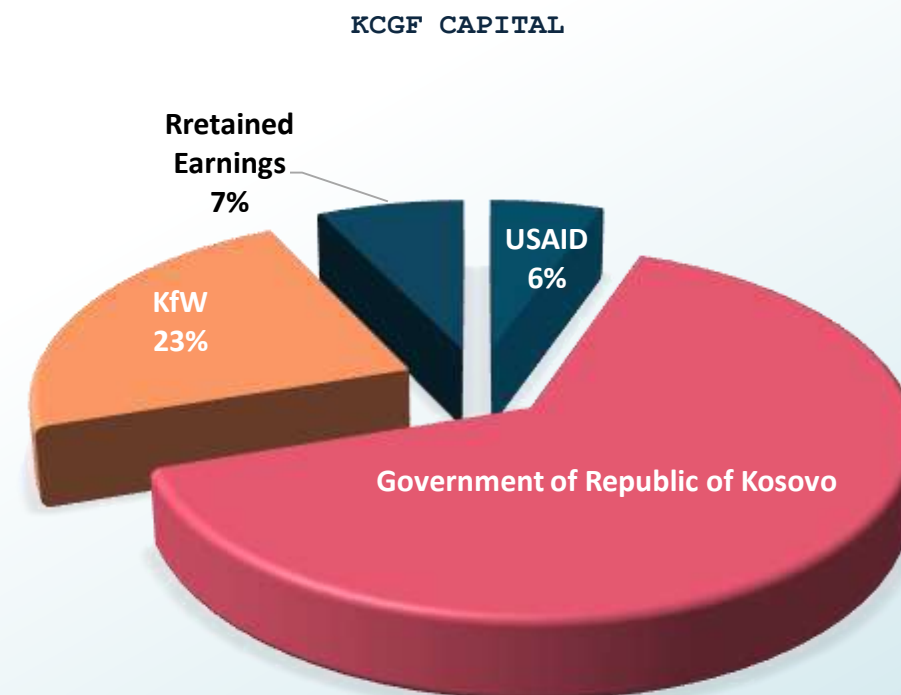
CAPITAL STRUCTURE AND DONORS



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- Capital of institution serves to back up commitments from credit guarantee activities.
- Capital is allocated to each guarantee window based on the specific goals of the associated donor-funded project.
- Key contributors to the institution's capital base include the Government of Kosovo (GoK), KfW, and USAID.

Donors	Capital in EUR
USAID	€ 5,790,921
Government of Republic of Kosovo	€ 67,410,000
<i>Ministry of Trade and Industry</i>	€ 3,000,000
<i>World Bank - Financial Sector Strengthening Project in Kosovo</i>	€ 21,410,000
<i>EIB European Investment Bank</i>	€ 40,000,000
<i>Ministry of Finance, Labour and Transfers Diaspora Investment Window</i>	€ 3,000,000
KfW	€ 24,100,000
<i>Regular Window</i>	€ 2,000,000
<i>Agro Window</i>	€ 11,500,000
<i>Economic Recovery Package</i>	€ 5,000,000
<i>Green Recovery Window</i>	€ 5,600,000
Rretained Earnings	€ 7,538,053
Total Capital	€ 104,838,974

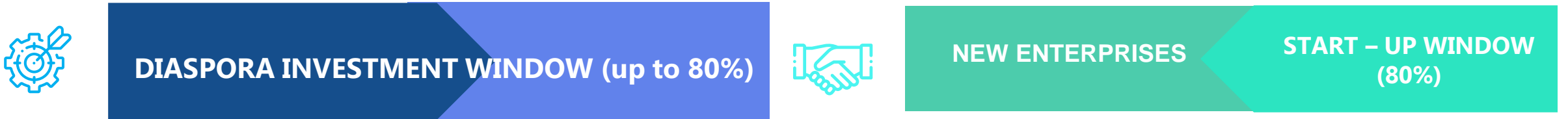




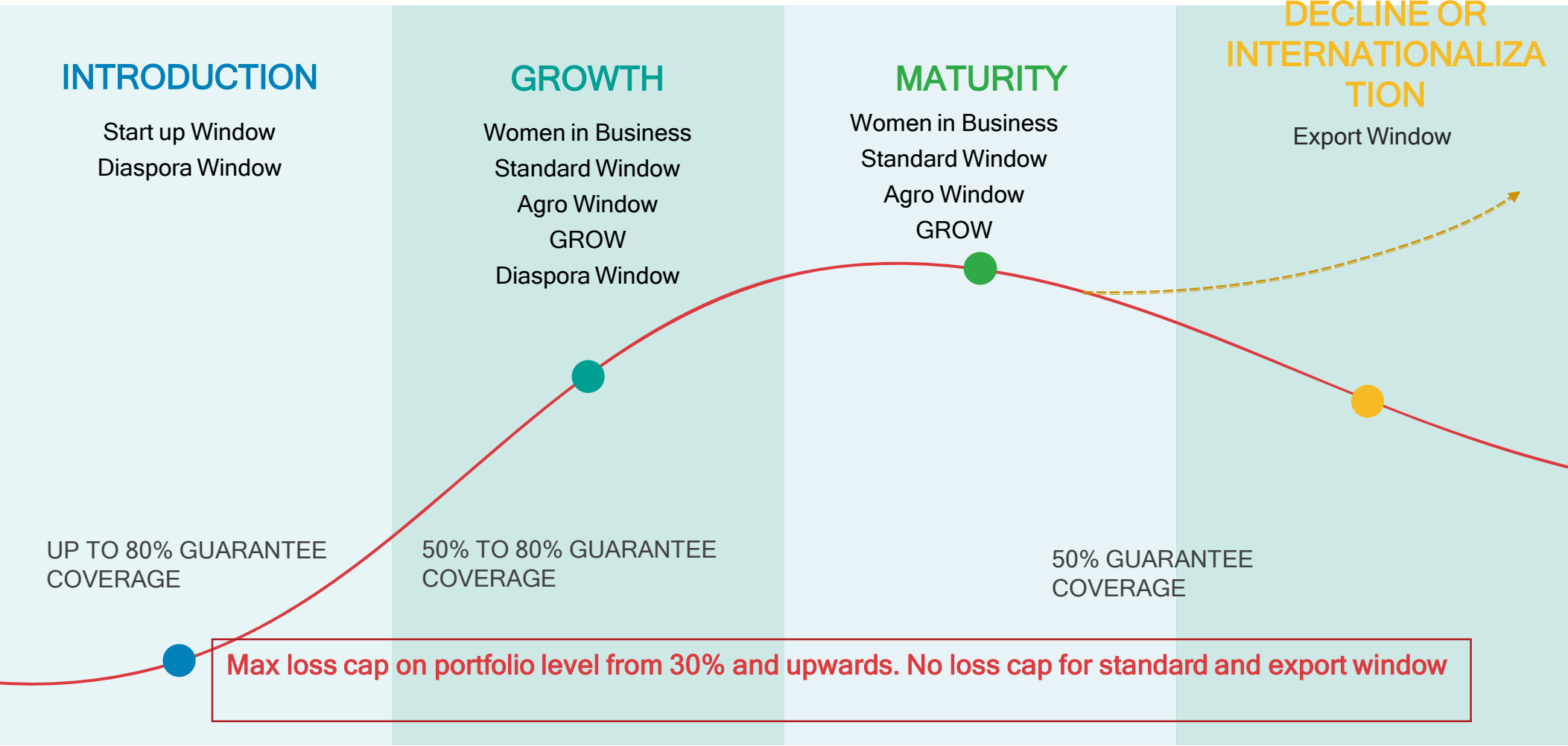
GUARANTEE WINDOWS AND PORTFOLIO DEVELOPMENT

HOW DO WE PURSUE OUR OBJECTIVES

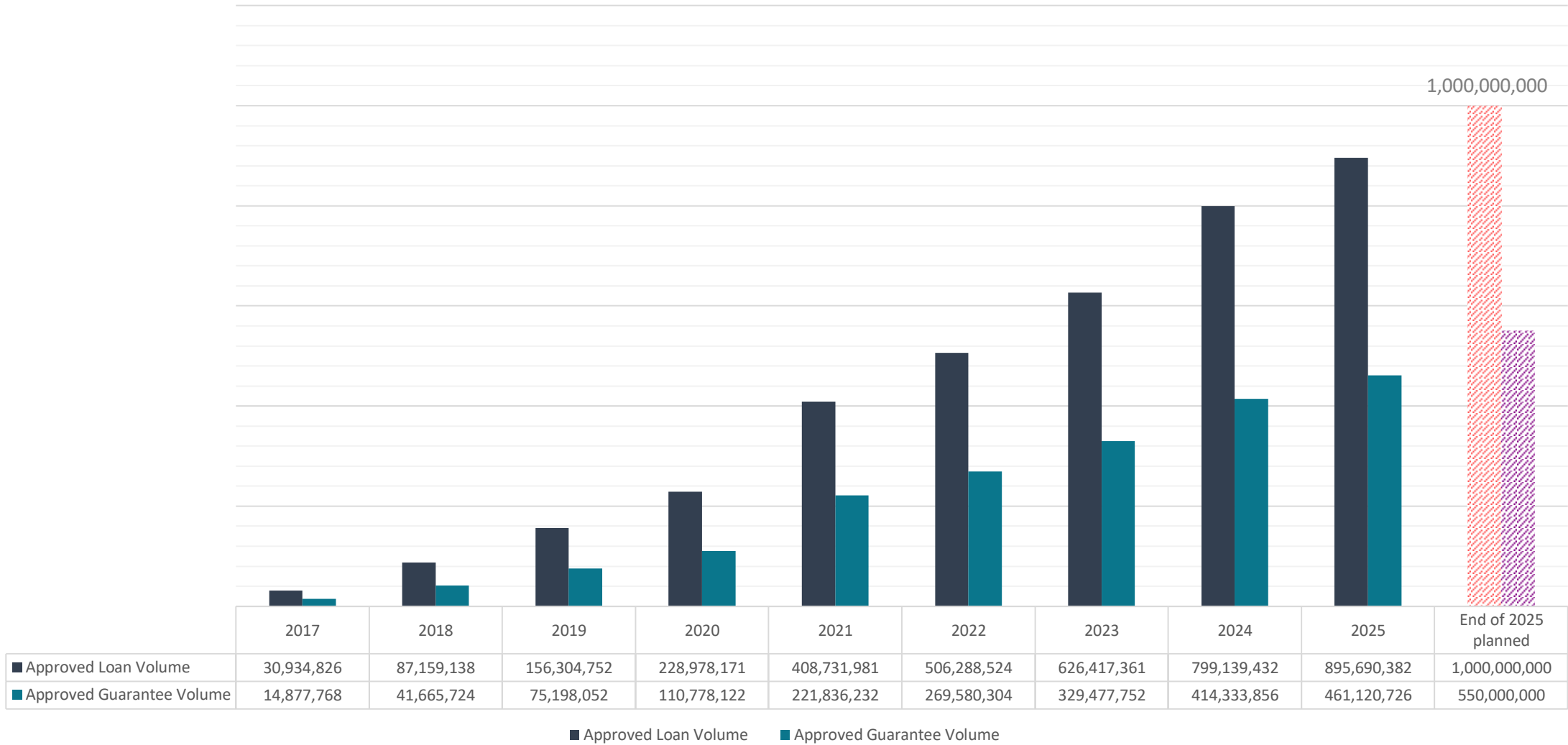
(GUARANTEE WINDOWS)



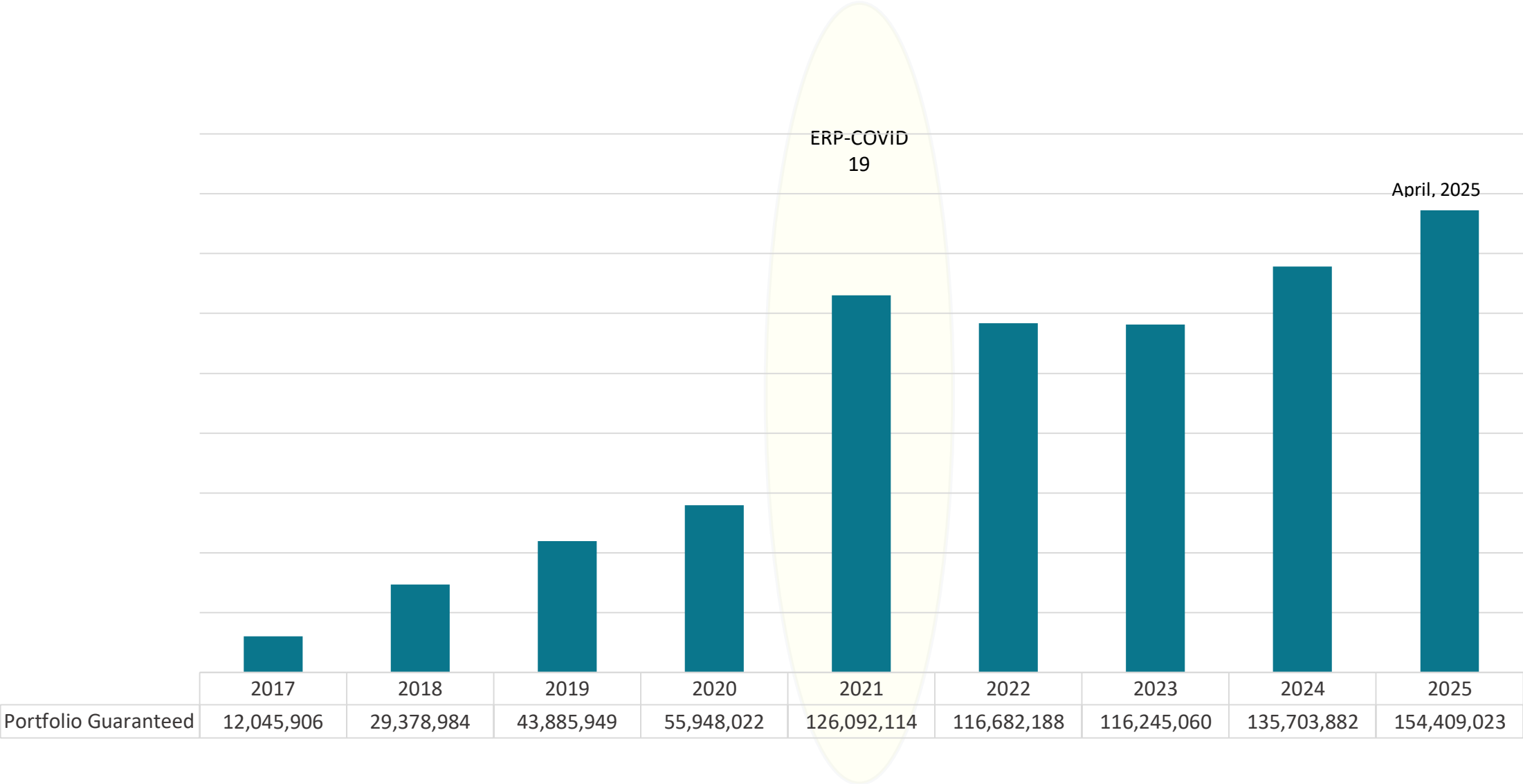
ENTERPRISE LIFE CYCLE AND OUR GUARANTEE WINDOWS



DEVELOPMENT OF PORTFOLIO - Cumulative



DEVELOPMENT OF PORTFOLIO – Outstanding Guarantee Amount

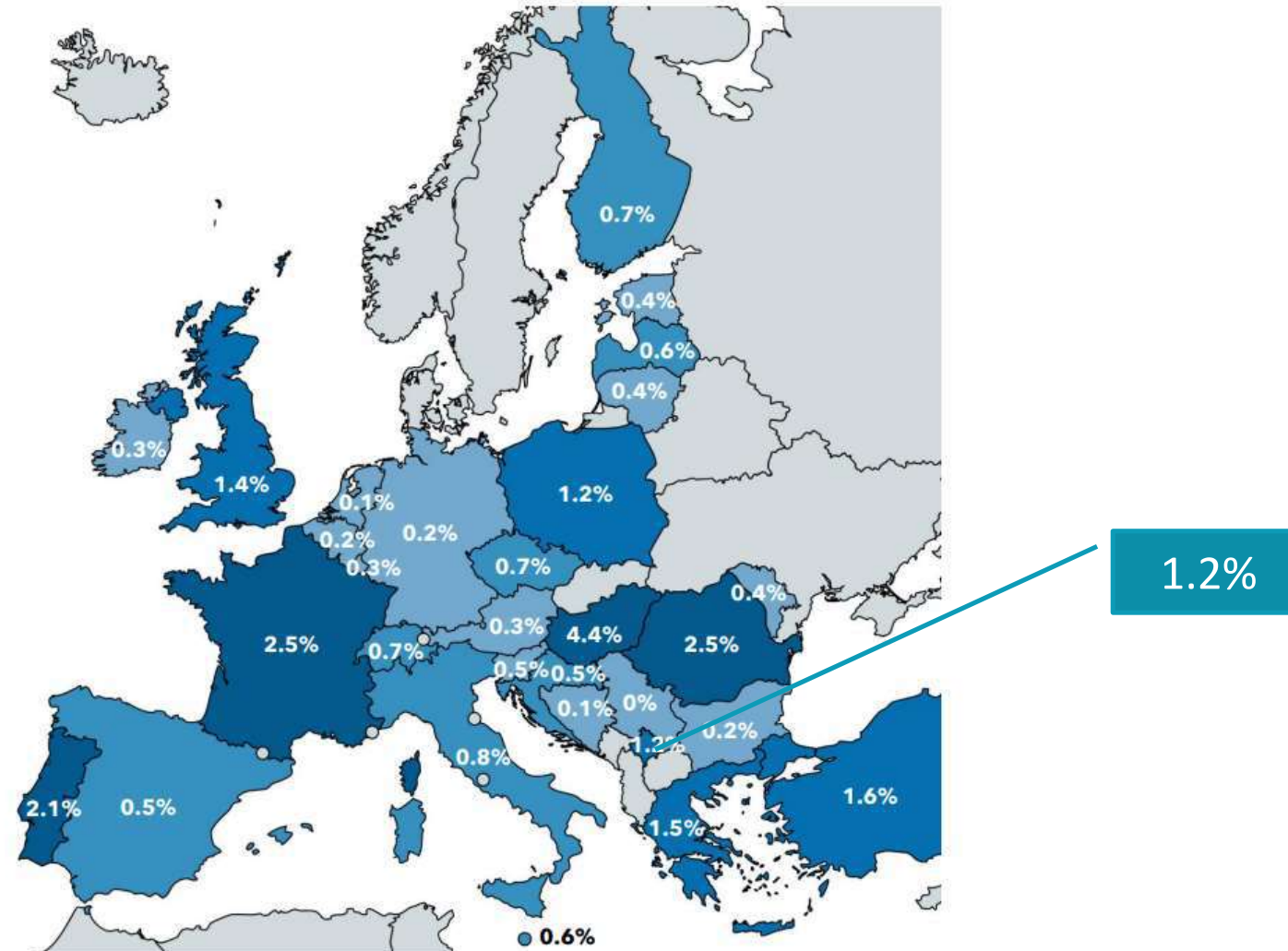


PARTICIPATION OF ACTIVE GUARANTEE PORTFOLIO IN GDP (Dec 23) COMPARATIVE MAP WITH EUROPEAN COUNTRIES



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- The guaranteed scheme is one of the most important policies, if not the most important, to support SMEs in times of liquidity gap.
- The participation of the volume of active loans guaranteed by the KCGF in the Gross Domestic Product (GDP) for 2023, is 1.2%. This is lower than that of 2022 (1.3%), but higher than that of 2020 (0.8%). The higher participation during 2021(1.6%) is due to supportive policies to help improve the economic situation and avoid further damage to the labour market after the Covid-19 period, and as such, should not be compared with other years.



Source: AECM Statistical Yearbook

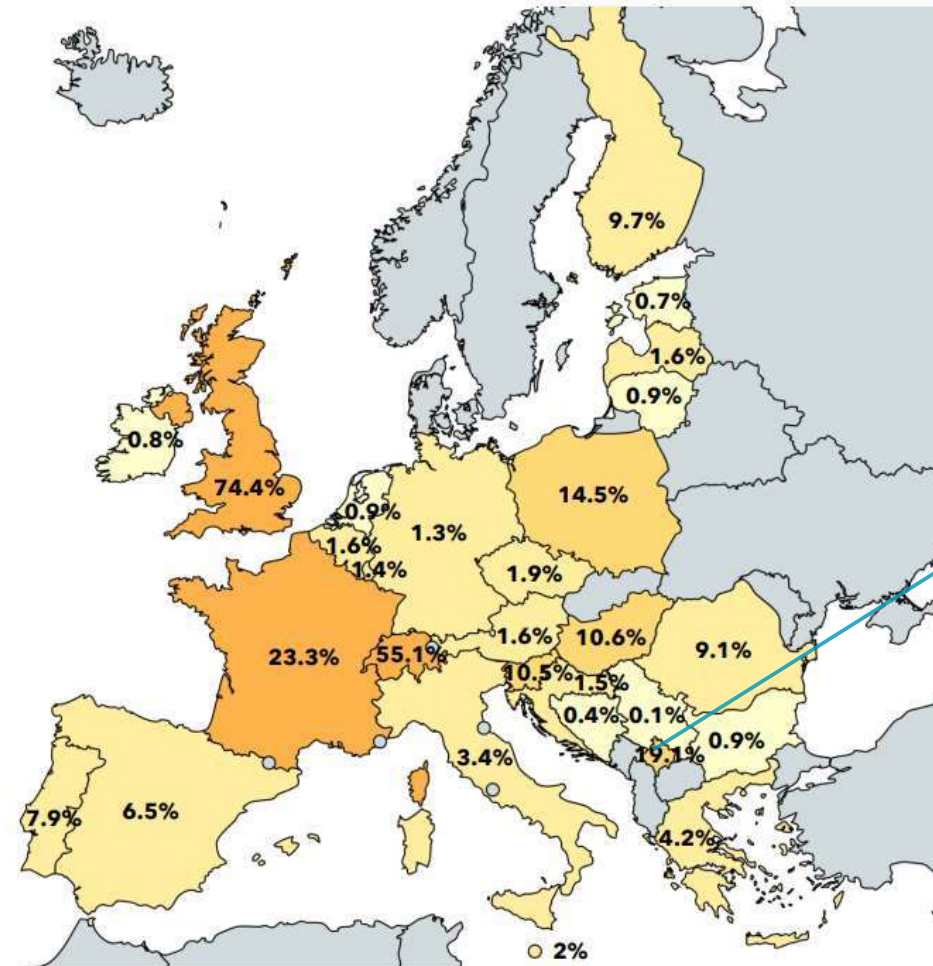
SME PARTICIPATION (Dec 2023)

COMPARATIVE MAP WITH EUROPEAN COUNTRIES



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- About 10,000 SMEs have benefited from the KCGF Guarantee Scheme, or 19.1% of the total sector of SMEs at the end of the year (according to AECM).
- This participation is increasing if we compare it with the previous year (16.7%), showing KCGF's importance in the overall growth of MSMEs.



19.1 %

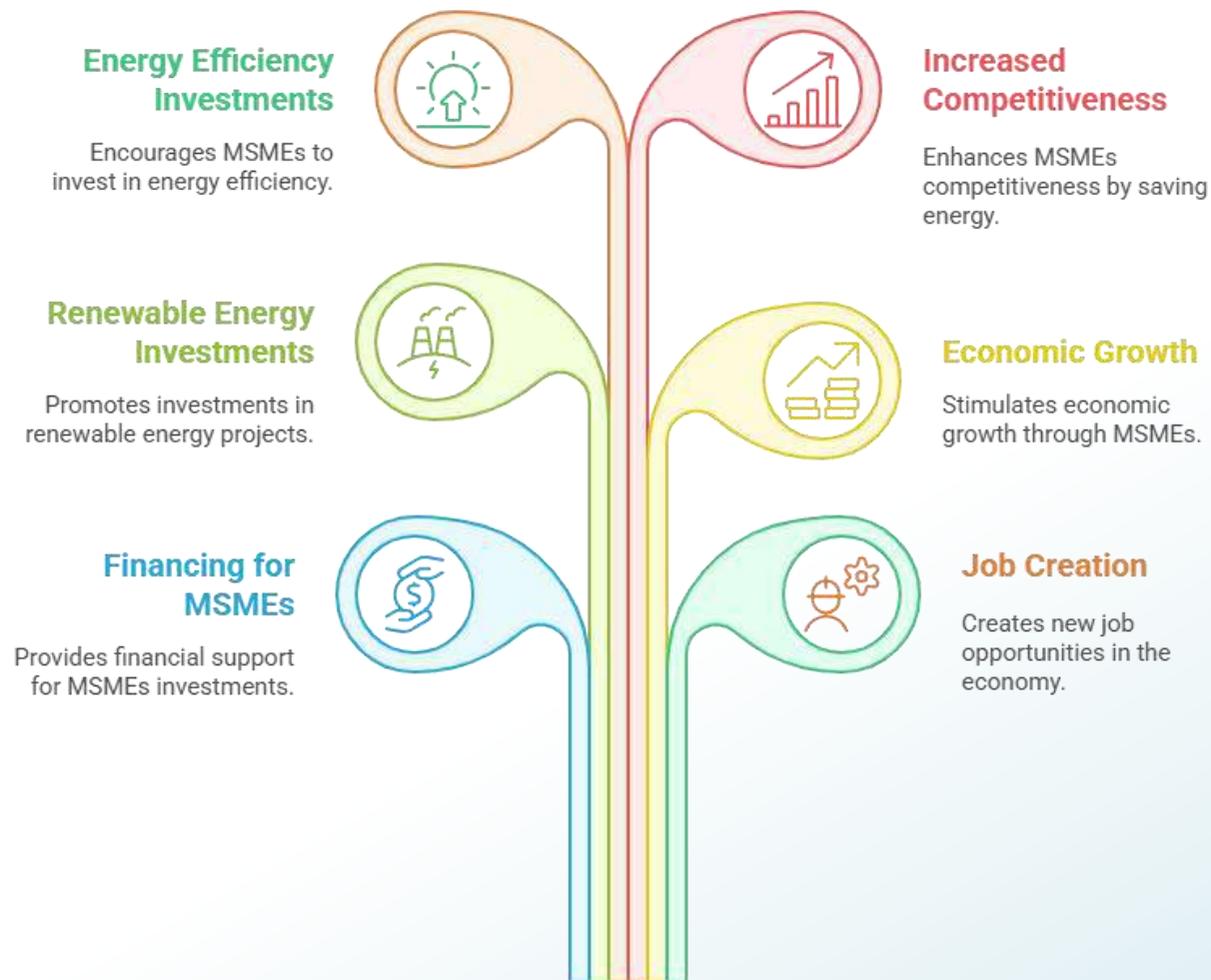
Source: AECM Statistical Yearbook



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GROW green
recovery and
opportunity
window

GROW PURPOSE



- The GROW window is supported through a cooperation from KfW, MCC and Sida.
- MCC provided technical assistance and cover partly cost of the re-guarantee facility from DFC.
- KfW provided the capital and technical assistance (e Save Platform).

FINANCIAL COMPONENT

Guarantee scheme to financial institutions to cover the credit risk to micro, small and medium enterprises (MSMEs) for EE and RE.

Guarantee scheme designed with better guarantee conditions for:

- Up to 70% guarantee coverage;
- Favorable guarantee fee;

NONFINANCIAL COMPONENT

Support partner RFIs to prepare the internal capacities through:

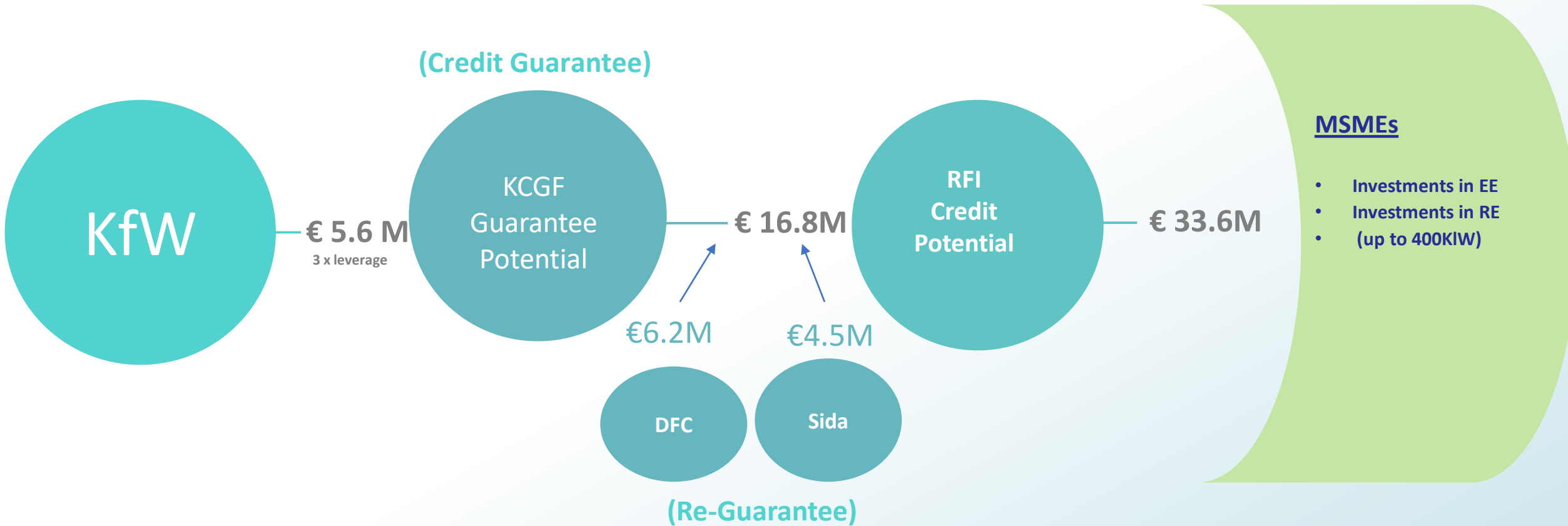
- Dedicated training of their staff, for categorizing, monitoring and proactively advising their clientele for orientating their investment plans in green,
- Esave -software platform, which will be used to support RFI's to categorize green loans, build management reports and measure the positive impact of their investments in the environment.

Funding

Facility

Intermediaries

Beneficiaries



GROW Window: Eligibility Criteria

- » Eligible borrowers for KCGF guaranteed loans are registered 100% privately owned **micro, small and medium sized enterprises (MSMEs)** with less than 250 employees
- » A qualified borrower must be **100% privately owned** with no government ownership during the period of the loan. Foreign investors are also eligible
- » Eligible investments are **investments in energy efficiency** (building envelope, equipment, production lines, and other energy-efficient measures) **or renewable energy** up to 400 kW (small scale PV systems, wind, biomass, or geothermal)
- » **Guarantee Rate up to 70% (used to be 50%)**, maximum amount of KCGF Guarantee EUR 1,000,00 (used to be 500K)
- » Credit Services: **Loan and Leasing**
 - The maximum loan amount is EUR 3,000,000 (used to be EUR1.0 mil)
 - The maximum credit exposure is EUR 7,000,000
- » Maturity of the Credit: **From 12 – 120 months (used to be 84 months)**

» **Guarantee Fee*:**

Guarantee fees with Re – Guarantee Facility	EE – 0.82 RE - 0.42
Guarantee fees without DFC Re – Guarantee Facility	EE - 1.2% RE – 0.6%



*Average price, depending on the risk profile of the bank and re guarantee facility the price varies from 0.4 to 1.2%.

GROW Window: Eligibility Criteria

- » Each RE/EE KCGF guaranteed measure/loan must meet the following requirements: to be eligible, the measure must achieve either primary energy savings of min 15% or CO2/GHG savings of min 15%.
- » Min 20% CO2/GHG savings on the PFI's portfolio
- » 80/20% rule – core (EE/RE investment) vs. complementary investment
- » Savings from each financed measure must be:
 1. Verified by impact assessments
(standard measures by eSave, non-standard measures by the Energy/Green Consultant)
 2. Reported to KCGF and KfW (through eSave)



1. Standard measures: Pre-approved or commonly used technologies and practices with well-documented energy savings. E.g

- ✓ Replacement of heat supply systems, EU label household appliances (A+...)
- ✓ Building insulation, replacement of windows and doors
- ✓ Thermal solar systems and on-grid PV systems
- ✓ Replacement of agricultural tractors
- ✓ Battery electric vehicle (BEV), Commercial plug-in hybrid electric vehicle (PHEV)
- ✓ Replacement of construction machinery, etc....

2. For standard measures eSave does the automatic calculation of savings

3. Verification, documentation and reporting

- ✓ For each loan there should be an official invoice or evidence of payment and technical specifications.
- ✓ Loan officer is obliged to keep the invoice in the credit file of the client.



1. **Non-standard measures** are custom-engineered or site-specific solutions that fall outside the scope of predefined utility or program guidelines.
2. **Examples of non-standard measures that can be financed:**
 - ✓ Replacement of industrial equipment, process related equipment
 - ✓ Agricultural equipment like harvesters, irrigation systems etc.
 - ✓ Bigger thermal solar systems, bigger PV systems, heat pumps, wind farms, hidro-PPs etc.
 - ✓ Air conditioning and ventilation systems, sun-protection, building management systems
3. **All non-standard measures require an energy/impact assessment, performed by the KCGF's Energy/Green Consultant (MACS)**
 - ✓ The loan officer's first contact for non-standard measures is KCGF/Consultant:
4. **Verification, documentation and reporting**
 - ✓ Official invoice and specification of equipment
 - ✓ Assessment of total investment by the Consultant
 - ✓ Field visit from green consultant





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The logo for eSave, featuring a stylized orange 'e' followed by the word 'Save' in a dark grey sans-serif font.

eSave – What is eSave?



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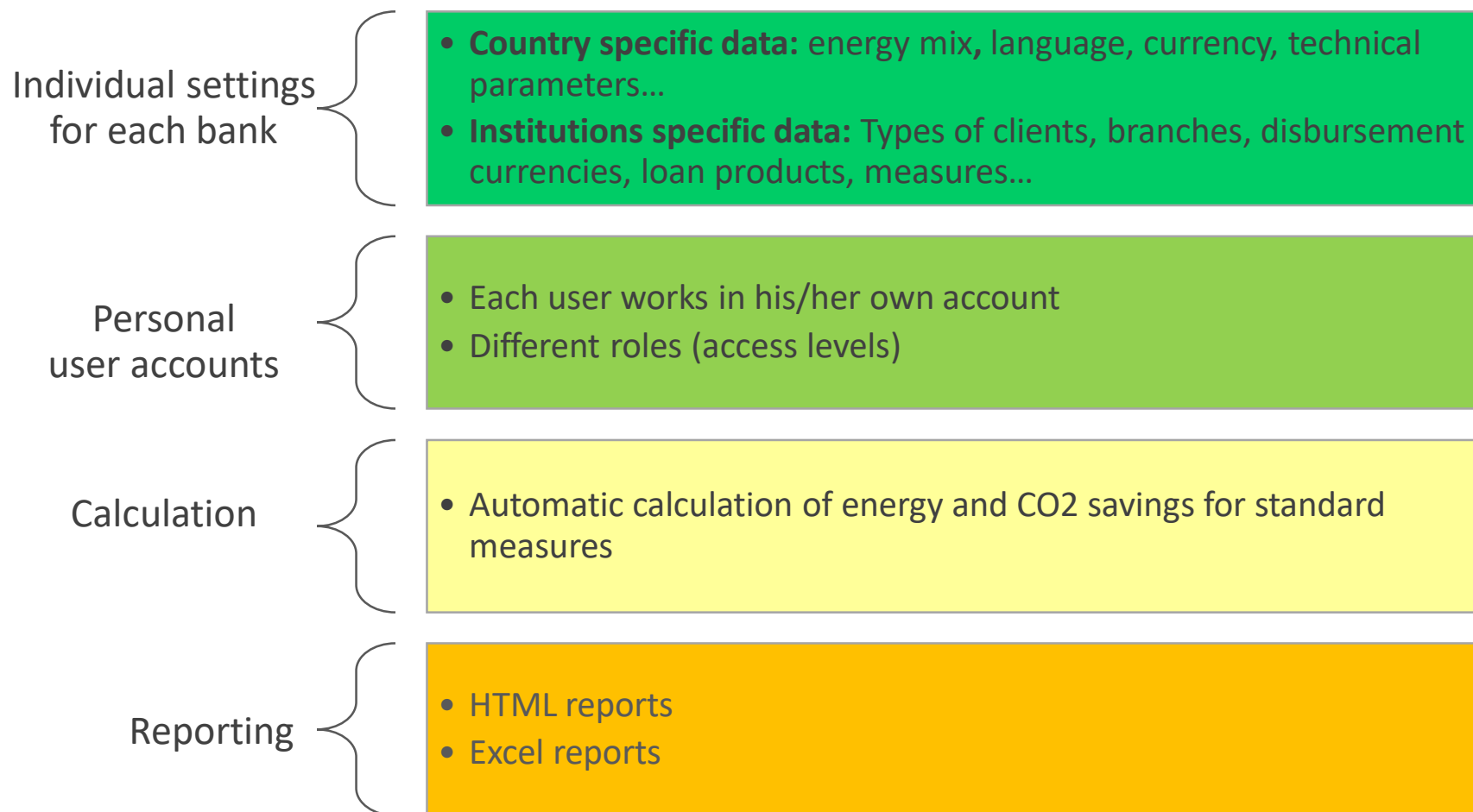
KCGF with support of TA from KfW has enabled utilization of software platform-eSave, which is used to support RFI's to categorize green loans, build management reports and measure the positive impact of their investments in the environment

- » **eSave** is an internet application designed for financial institutions which enables them to easily handle energy efficiency and renewable energy portfolios and credit lines.
- » **eSave** enables calculation and reporting of primary energy and CO2 savings for each investment
- » **eSave** offers a variety of standard green measures, for which eligibility checks can be performed. It is a web-based application provided by MACS Energy & Water, an independent Consultancy based in Germany
- » The main functions of **eSave** are to calculate, monitor and report the environmental impact, e.g. energy savings and CO2 emission reductions for standardized green measures.

eSave – Main characteristics



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Loan creation and measure calculation

Standard measures

Input/Selection :

Measure cost
technical data

Result:

Calculation of energy and CO2
emission savings

Non-standard measures

Input:

Manual data input from
energy assessment report

Result:

Calculation of energy and CO2
emission savings

Reporting

Reporting

Selection of reporting period

Export

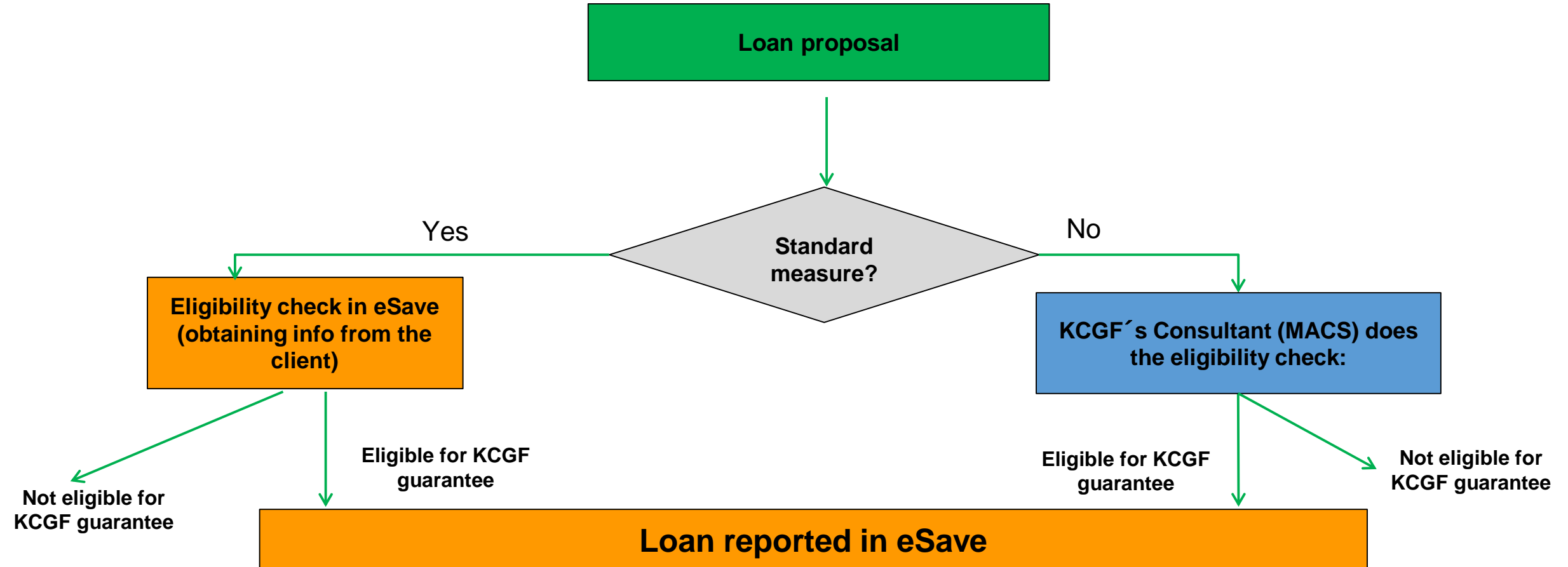
(xls or xml)

eSave – Proces Flow

(Checking eligibility of KCGF guaranteed loans)



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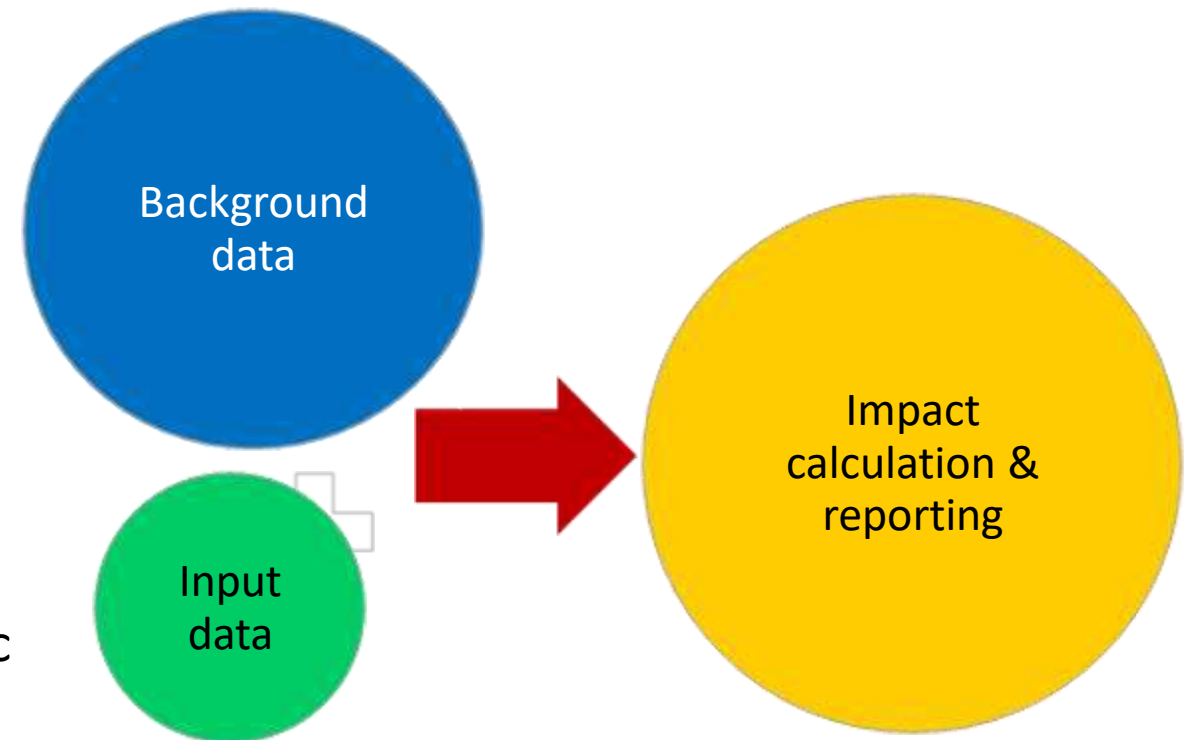


eSave – Calculation and Reporting



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- » **Background data:** Primary energy factors, CO2 emission factors, solar irradiation, climate regions, data related to standard measures
- » **Input data:** Client specific data (client type, economic sector, loan number...) and Measure related data (e.g. insulated area, heating power and fuel of new boiler, electric power of new lamps...)



Implementation Challenges!



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- » **Low awareness among MSMEs** regarding the benefits and opportunities of investing in energy efficiency (EE) and renewable energy (RE).
- » **Limited financial incentives** for EE/RE investments due to Kosovo's relatively low electricity prices, resulting in longer payback periods.
- » **Insufficient expertise or motivation among bank staff** to identify and assess EE/RE investment opportunities.
- » **Increased competition** from other green financing programs offered by international financial institutions (IFIs).





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THANK YOU!



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www.fondikgk.org