

## **Kosovo Credit Guarantee Fund**

The Kosovo Credit Guarantee Fund (KCGF) is a local, independent, sustainable credit guarantee facility issuing portfolio loan guarantees to financial institutions to cover up to 50% of the risk for loans to micro, small, and medium enterprises (MSMEs).

The KCGF was established in January 2016 under the Law on the Establishment of the Kosovo Credit Guarantee Fund. The aim of the KCGF is to support the private sector in Kosovo by increased access to finance for MSMEs, thereby creating jobs, increasing local production, improving the trade balance and enhancing opportunities for underserved economic sectors.

The establishing Law of the KCGF was initiated by the Ministry of Trade and Industry, and its development was supported by USAID Kosovo, through the EMPOWER Credit Support (ECS) Program. The Law entered into force on January 23, 2016.

### **Description of Services**

Guarantees to financial institutions to cover the credit risk to micro, small and medium enterprises (MSMEs).

- Guarantees will be issued up to 50% of the principal of the loan for MSMEs. Guarantees may also be in a lower percentage.
- Maximum sized guarantee exposure that the Fund may offer to the borrower or group of related borrowers will be 250K EUR, whereas its maximum credit exposure will be 1 million EUR.
- The maximum deadline for the repayment of the guaranteed credit will be 84 months.
- Long-term investment credits (for the purchase of machinery, equipment, technology and immovable property, credits related to commercial activities, such as financing of business premises, e.g. plant facilities), and credits for working capital purposes, may qualify for guarantee coverage.
- Guarantees are issued for principal only. They do not cover interest or other amounts owed to or other costs borne by the lender.

For more information, click on the link: <http://www.fondikgk.org/en/Home?>