



»»» **EU & KfW Covid-19 Response with
the Western Balkans Guarantee**

#TeamEurope

WBIF Steering Committee
9 June 2020

Bank aus Verantwortung

KFW

》》》 Rising to the Covid-19 Challenge

Crisis Response with Long-term Benefits



Challenge

- **Private sector lending & liquidity required** in highly uncertain context
- **Urgent needs** within <6 months
- **Maintain EU policy relevance beyond the crisis**

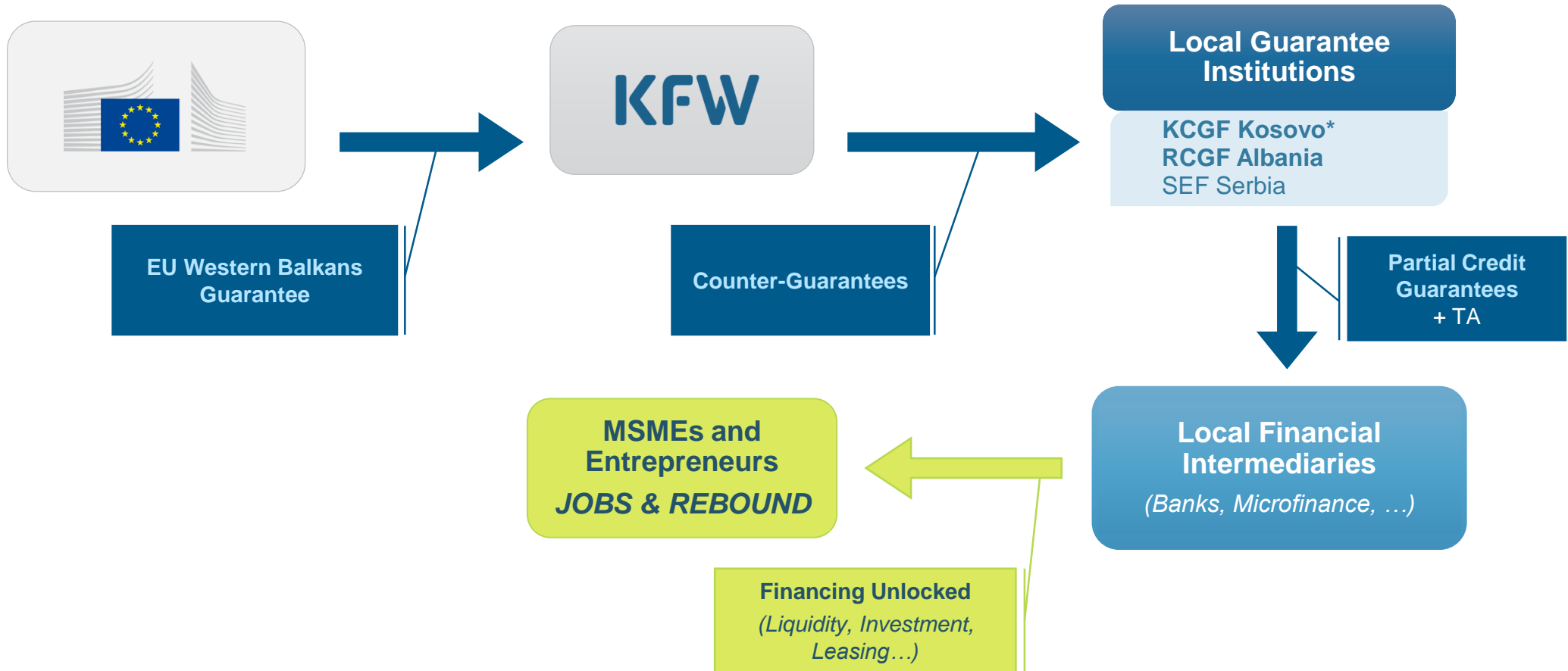


Response

- **Reassure local financial sector using EU guarantee**
- **Quick deployment** through local credit guarantee funds
- **Combine short-term liquidity with sustainable investment**



Supporting Sustainable National Guarantee Institutions



>>> Guarantee Overview

Quick Facts



Guarantee Amount	up to EUR 50 million (<i>t.b.c.</i>)
Target Economies	<ul style="list-style-type: none">➤ Initial focus: Albania, Kosovo*➤ <i>Medium term</i>: Serbia
Complementarity	<ul style="list-style-type: none">➤ Reach <u>smaller financial institutions</u> to complement direct IFI & WB EDIF guarantees➤ Incentivise inclusion of <u>recently established MSMEs</u>➤ Complement donor capital in guarantee institutions
Coverage per loan	[50-80]% depending on target groups & policy relevance
Timeline	Launch before end of 2020
Target Impact	<ul style="list-style-type: none">✓ Unlock EUR 140+ million of financing✓ Reach 4700+ MSMEs and Entrepreneurs✓ Safeguard jobs for a fast rebound✓ Invest in a sustainable recovery

»»» Thank You.

We Look Forward to Our Collaboration!

Backup: Partner Overview

Quick Facts

	<i>Rural Credit Guarante Fund, RCGF Albania</i>	<i>Kosovo Credit Guarantee Fund KCGF</i>
Creation	2015	2016
Thematic Priorities	<ul style="list-style-type: none"> ➤ Rural MSME support ➤ Green Window 	<ul style="list-style-type: none"> ➤ MSME support ➤ “Agro” Window
Guarantee Capital	<ul style="list-style-type: none"> ➤ EU via KfW: 3.5m EUR ➤ BMZ via KfW: 30m EUR 	<ul style="list-style-type: none"> ➤ KOS: 3m EUR ➤ USAID: 5.8m EUR ➤ BMZ via KfW: 13.5m EUR + COSME & SIDA counter-guarantees
Coverage	~50% of individual loans	~50% of individual loans + portfolio cap
Impact	>7400 MSME loans mobilized	>4600 MSME loans mobilized