

# EFSE, KEP Trust establish partnership to support farmers, small start-ups in Kosovo

EFSE's EUR 1.5 million loan to the market's largest micro creditor will bolster rural businesses

**Luxembourg and Prishtina, 21 December 2016** -- The European Fund for Southeast Europe (EFSE) has announced its first investment in KEP Trust, a EUR 1.5 million senior loan earmarked for financing farmers and micro and small entrepreneurs in Kosovo. Along with the loan, KEP Trust is currently receiving technical assistance from the EFSE Development Facility.

KEP Trust is the largest micro credit organization in Kosovo with a market share of 25.6% and an extensive branch network. The lender maintains a primary focus on rural areas, which comprise 64% of its total portfolio.

EFSE Board Chairman Christoph Tiskens said: "We at the EFSE are pleased to take this important step in our relationship with KEP Trust. Their continuing focus on small businesses in rural Kosovo has resulted in the type of experience that makes them an ideal partner to help us finance entrepreneurs and farmers, groups our fund strives to support."

Alket Gradeci, the CEO of KEP, said: "This newly established partnership with EFSE will bring more synergy to our shared visions for supporting the economic and rural development of Kosovo. We strongly believe that this partnership will pave the way to further the exchange of ideas and potential collaborative projects for the benefit of rural and micro-entrepreneurs in Kosovo"

## **About the European Fund for Southeast Europe**

The European Fund for Southeast Europe (EFSE) was initiated by KfW Development Bank (KfW) with the financial support of the German Federal Ministry for Economic Cooperation and Development (BMZ) and the European Commission. It aims to foster economic development and prosperity in Albania, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, former Yugoslav Republic of Macedonia, Kosovo, Georgia, Moldova, Montenegro, Romania, Serbia, Ukraine and Turkey. As access to finance is a key success factor in developing the micro, small and medium enterprise segments, the EFSE focuses on assisting local financial sectors in strengthening their ability to ensure adequate and sustainable

financing. The funding the EFSE provides as long-term finance primarily for micro and small enterprises (MSEs) – but also for private households in the form of home improvement loans – is channelled to these loan customers through local partner lending institutions. Supporting the EFSE’s investment activities is the EFSE Development Facility, which provides partner lending institutions with technical assistance, consulting and training services to build operational capacities and professional management.

Initiated by KfW Development Bank (KfW) on 15 December 2005 from four multi-donor programs under its management, the EFSE is the first public-private partnership of its kind and the first privately managed fund in development finance to leverage private funding for MSE finance in the target region. Capital is provided by donor agencies, international financial institutions and private institutional investors, including the German Federal Ministry for Economic Cooperation and Development (BMZ), the European Commission (EC), the Government of Albania, Small and Medium Business Credit Support CJSC (SMBCS), a subsidiary of the Central Bank of Armenia, the Development Bank of Austria (Oesterreichische Entwicklungsbank - OeEB), the Swiss Agency for Development and Cooperation (SDC), the Danish International Development Agency (Danida), KfW as Lead Investor, the International Finance Corporation (IFC), the Netherlands Finance Company (FMO), the European Bank for Reconstruction and Development (EBRD), the European Investment Bank (EIB), Sal. Oppenheim and Deutsche Bank.

Oppenheim Asset Management Services S.à r.l., Luxembourg acts as the EFSE’s Fund Manager and Finance in Motion GmbH, Germany as Advisor.

For more information about the European Fund for Southeast Europe, please visit: <http://www.efse.lu/>

### **About KEP Trust**

Founded in 1999 as a local NGO, KEP Trust (KEP) is now the biggest MFI in the Kosovo market. KEP operates throughout Kosovo with 31 branches and a loan portfolio of around EUR 25 million. KEP is licensed by the Central bank of Kosovo to lend to individuals and micro-entrepreneurs in Kosovo. With more than 200 staff and around 85 loan officers, KEP currently supports more than 12,000 clients.

KEP’s mission is to offer a wide range of micro loans, especially to people with limited access to the banking sector, including those in remote or rural areas, minorities and women. KEP’s vision is to be able to provide inclusive financial services to individual clients, farmers and micro and small entrepreneurs in Kosovo. Meeting clients’ financial need with high quality and efficiently, as well as building strong ties with communities, is at the centre of KEP Trust’s aspiration.



With its micro loans, KEP aims to contribute to the growth of micro businesses, household farms and living standards in Kosovo. KEP's belief is that micro businesses and agro farms will remain the generator of the country's economic development and thus of the employment.

KEP is committed to be an active actor in any partnership that, in the years to come, would bring more quality, convenience or innovative services to the microenterprises and rural farmers of Kosovo.

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