

Strengthening Financial Support for Women-Owned and Ethnic Minority-Owned Businesses in Kosovo

*Overview of Grants and Subsidies
Offered by Central and Local Level
Institutions, and Non-Governmental
Organizations*



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Prishtina Office Rr. Pashko Vasa Nr. 23
10000 Prishtina
Republic of Kosovo

Responsibility for content and editing

Katharina Hofmann

Contact

Rudina Nallbani
rudina.nallbani@fes.de

Design/Layout

Trembelat

Front page design

Trembelat

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List of acronyms

→ KBRA	Kosovo Business Registration Agency
→ KCGF	Kosovo Credit Guarantee Fund
→ GIZ	German Corporation for International Cooperation
→ KIESA	Kosovo Investment and Enterprise Support Agency
→ MAFRD	Ministry of Agriculture, Forestry and Rural Development
→ MIET	Ministry of Industry, Entrepreneurship and Trade
→ MRD	Ministry of Regional Development
→ MSME	Micro, Small and Medium Enterprises
→ BRDP	Balanced Regional Development Program
→ UNDP	United Nations Development Program
→ USAID	United States Agency for International Development
→ W4W	Women for Women Kosova

Executive Summary

Women- and Minority-Owned Enterprises play a key role in Kosovo's economic development. However, these businesses continue to face structural barriers in accessing finance, property ownership, and equal participation in financial support schemes. According to a survey conducted by the GAP Institute with 757 businesses, only 20% of women-owned businesses and 23% of minority-owned businesses have benefited from at least one form of institutional support, from central or local authorities, or through non-governmental organization, throughout their entire operation.

Data highlight continuous gender and ethnic disparities in public institutional support programs. According to the GAP survey, only 7% of women-owned and 8% of ethnic minority-owned businesses have benefited from any type of support from the central level. Official data reveal that women have received only 12% of subsidies on average between 2018 and 2024 from the schemes of the Ministry of Agriculture, Forestry and Rural Development. Similarly, in the programs of the Ministry of Industry, Entrepreneurship and Trade, women-owned businesses received on average 16% of grants. Under the Balanced Regional Development Program of the Ministry of Regional Development, the inclusion of women-owned businesses did not exceed 40%, while the participation of ethnic minorities remained low and inconsistent over the years. At the local level, inclusion is even more limited. According to the survey, only 4% of women-owned and 8% of minority-owned businesses reported receiving any form of support from the municipalities in which they operate. On the other hand, programs implemented by non-governmental organizations (NGOs) were perceived as more accessible and effective. About 10% of

women and 8% of minority representatives reported having benefited from grants and subsidies provided by local and international NGOs. Support from all levels has been rated as having a significant impact on the sustainability and performance of businesses by over 95% of respondents.

Women-owned businesses benefiting from institutional support are mainly focused in agriculture, trade and manufacturing, whereas ethnic-minority owned businesses are more prevalent in construction and services. Nevertheless, both categories predominantly consist of micro-enterprises that face similar challenges of lack of ownership over the spaces they operate in, affecting eligibility for support, as well as limited collateral for credit guarantees, and other related issues.

Regarding education level, data suggests that women with higher education levels are more likely to benefit from institutional support, as the application process often requires the preparation of complex documentation, fulfillment of technical criteria, and communication with various institutions. As a result, women with lower levels of education are frequently excluded from existing opportunities—not due to a lack of need or potential, but rather because of bureaucratic obstacles that require intervention through facilitative measures and dedicated training.

The aim of this report is to analyze the extent of inclusion of these groups in grant and subsidy programs provided by central and local institutions as well as NGOs in Kosovo. The findings underscore the need for inclusive policies that address the lack of gender and ethnic equity in support programs.

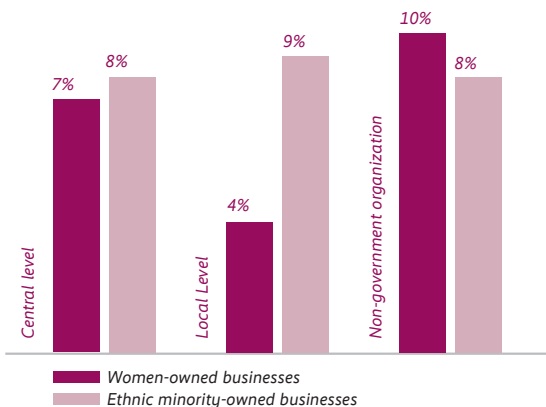
Introduction

Women- and minority-owned enterprises in Kosovo face significant financial challenges that limit their competitiveness in the market and their growth potential. These businesses primarily rely on personal savings for both initial capital and daily operations.¹ According to data from a comprehensive survey conducted by the GAP Institute, around 39% of women-owned and 47% of minority-owned businesses in Kosovo were established using personal savings. Although various grant and subsidy programs exist, research shows that access to these resources is limited and they do not adequately address the specific needs of these entrepreneurs. Moreover, the domestic business market is dominated by men-owned businesses, which account for 79%, compared to only 18% women-owned businesses.² Similarly, men-owned businesses comprise the majority of beneficiaries of the support provided by institutions at all levels.

According to data from a survey of 757 business owners, of the 399 women-owned businesses surveyed, only 20% have benefited from any form of institutional support, central, local, or through non-governmental organizations. This indicates that over 80% of women-owned businesses have received no form of institutional financial support. Similarly, out of 358 minority-owned businesses surveyed, only about 23% benefited from at least one form of institutional support, central, local, or through non-governmental organizations. This highlights the low level of inclusion of this category in existing financing schemes.

Level of support for women- and minority-owned businesses from central and local institutions and non-governmental organizations.

Figure 1.



Source: GAP Survey

The aim of this report is to showcase existing support mechanisms for women-owned and ethnic minority-owned businesses in Kosovo, and to identify gaps in their financial assistance schemes. Based on these findings, the report provides recommendations geared toward improving financial access and supporting the sustainable growth of these businesses.

¹ Based on findings of the GAP survey, 2024.

² Around 3% of businesses are co-owned by men and women. GAP Institute. Business profiles: Entrepreneurship of women and ethnic minorities in Kosovo. 2023.

Methodology

The research methodology of this report includes a review of existing literature on grants and subsidies available for micro, small, and medium enterprises owned by women and minorities in Kosovo, and is based on a survey conducted by GAP Institute. This survey is based on a stratified random sampling method, with 757 valid responses and a confidence level of 95%. Specifically, the survey sample includes a total of 757 businesses owned by women and minority communities, of which 399 are women-owned businesses and 358 are businesses owned by minority communities. Among the minority-owned businesses surveyed, 79.8% are owned by men, 17.1% by women, and 3% are jointly owned by men and women.³

The survey data was analyzed using statistical methods, focusing on indicators such as: primary economic sector, business size, year of establishment, age group, education level of the owners, and receipt of grants/subsidies at the central and local level, and NGOs. To better understand the factors influencing access to support through subsidies from central-level institutions for women entrepreneurs, an econometric analysis was conducted on the survey data of women-owned businesses (Annex 1). In addition to the survey analysis, the report includes administrative data collected from relevant institutions such as the Ministry of Industry, Entrepreneurship and Trade (MIET), the Ministry of Agriculture, Forestry and Rural Development (MAFRD), the Kosovo Credit Guarantee Fund (KCGF), as

well as data from municipalities in key regions including the municipalities of Prizren, South Mitrovica, Gjilan, Peja, and Ferizaj. These data were gathered through requests for access to official documents, combined with analysis of documents and annual reports published by the respective institutions.

In most documents listing grant and subsidy beneficiaries at all institutional levels, there is a lack of gender disaggregation of beneficiary businesses.⁴ For this analysis, the KBRA Business Registry was used to⁵ first categorize businesses by gender, and then to analyze the data on beneficiaries, the amounts received, and the corresponding years.

³ The survey period is: July 16, 2024 until August 15, 2024.

⁴ Exceptions are the data from MINT/KIESA, MDR, Municipality of Prizren, and partially the data from MAFRD and Municipality of Ferizaj which provided data disaggregated by gender.

⁵ Kosovo Business Registration Agency (KBRA).

Financial Support from Central Level and Independent Institutions

The Government of Kosovo has undertaken several concrete initiatives to support women entrepreneurs through dedicated policies and financial schemes. The Ministry of Agriculture, Forestry and Rural Development (MAFRD) has provided the largest financial support for businesses in the period 2018–2024, with over €42 million in grants and subsidies. However, the main beneficiaries were men (on average, 89% of subsidies and 68% of grants). The Ministry of Industry, Entrepreneurship and Trade (MIET), through the Kosovo Investment and Enterprise Support Agency (KIESA), has supported women entrepreneurs at an even lower level, with only 16% of the total grant amount. Among the independent institutions, the Kosovo Credit Guarantee Fund (KCGF) has aimed to adopt a more inclusive approach for women in business loan guarantees through the “Women in Business” window, reaching an average representation of around 14–15% of the total portfolio. Of all these levels, the Ministry of Regional Development (MRD) has had the most balanced distribution, with 32% of grants allocated to women-led businesses, with this percentage reaching 40% in two specific years. Although there have been institutional efforts to increase the inclusion of women-owned businesses, financial support remains largely dominated by men-owned businesses.

Kosovo Credit Guarantee Fund (FKGK)

The KCGF’s “Women in Business” window aims to facilitate access to finance for micro, small, and medium-sized enterprises (MSMEs) that are owned or led by women. Through guarantees of up to 70% of the loan amount, with a maximum value of €250,000 and a repayment term of up to 10 years, this initiative offers favorable conditions for women entrepreneurs.⁶ In addition to the financial component, the program includes technical assistance, such as financial literacy training, networking, and mentoring.⁷

Findings indicate a gradual increase in the participation of women owners or co-owners in businesses that have benefited from KCGF-guaranteed loans. In 2018, of the total 1,441 guaranteed loans, only 10% were issued to businesses owned or co-owned by women. Of the total guarantee amount of €26.8 million, women-owned or co-owned businesses received around €2.6 million in guarantees—or just 9.7%. In 2019, this percentage increased to 13%, or about €9.7 million out of €75.2 million total, reflecting a slight positive impact of the credit guarantee mechanism in supporting women entrepreneurs. This upward trend continued in 2020, when women entrepreneurs accounted for 15% of the beneficiaries, or about €16.5 million out of €110 million.

In 2021, as part of the Economic Recovery Package, KCGF implemented a dedicated “Women in Business” window. Through this scheme, wom-

⁶ Kosovo Credit Guarantee Fund (FKGK) Women in Business Window.

⁷ Ibid.

en’s share in the overall KCGF-guaranteed portfolio reached 14%. While this marked a slight decline compared to the previous year, it remained higher than the 2018–2019 average. According to the latest 2024 data, 71 women-led enterprises benefited from the “Women in Business” window, with a total guarantee value of €1.9 million.⁸ These figures from 2018–2024 indicate a gradual effort to improve access to finance for women entrepreneurs. However, the participation of women in guaranteed loan benefits remains low.

Ministry of Agriculture, Forestry and Rural Development (MAFRD)

As part of its rural development policies, MAFRD has offered grants and subsidies for women farmers, including additional points in the scoring of agricultural project applications.⁹ Data indicate that around 6.5% of women-owned businesses and 3.8% of co-owned businesses operate in the agriculture sector.¹⁰ MAFRD’s support

aims to encourage women’s participation in agriculture and increase their inclusion in rural economic development.

However, the share of subsidies received by women has consistently been significantly lower than that of men. In 2018, only 7% of the total value of subsidies went to women-owned businesses, while 93% went to men. This percentage gradually increased over the following years: 10% in 2019, 12% in both 2020 and 2021, reaching 13% in 2022. In the last two years, the percentage dropped back to 12%. In each year analyzed, men have received the majority of subsidies, averaging around 88% of the total amount, while women have received only 12%. Although there has been a slight increase in support for women over the years, the gender gap in financial assistance remains significant.

Table 1. Subsidies allocated to businesses by MAFRD by gender, 2018-2024.

Subsidies	Number of beneficiaries		Average benefit value (in EUR)		Net value (in EUR)		Participation as % of total value	
	Women owned businesses	Men owned businesses	Women owned businesses	Men owned businesses	Women owned businesses	Men owned businesses	Men-owned businesses	Men owned businesses
2024	332	1461	3,397	5,429	1,127,645	7,931,452	12%	88%
2023	367	1591	3,087	5,054	1,132,749	8,040,324	12%	88%
2022	284	1191	3,352	5,555	951,901	6,616,408	13%	87%
2021	251	970	2,907	4,876	729,574	4,729,603	13%	87%
2020	268	997	2,479	5,466	664,481	5,449,160	11%	89%
2019	212	996	2,298	4,422	487,227	4,403,832	10%	90%
2018	149	1027	1,726	3,574	257,175	3,670,367	7%	93%
Total	1,863	8,233	19,246	34,376	5,350,752	40,841,146	12%	88%

Source: MAFRD; GAP calculations

8 According to GAP survey data, only 0.5% of surveyed businesses are owned by women and 0.1% have been beneficiaries of loan guarantees from the KCGF.

9 Peni, B. Under a changing sky, women carry the weight of climate change in agriculture . 2025

10 GAP Institute. Business profiles; Entrepreneurship of women and ethnic minorities in Kosovo. p.11.,2023.

Based on the data, the level of grant benefits received by women entrepreneurs is significantly higher compared to the benefits from subsidies. In 2018, women received 37% of the total grant amount. This percentage increased to 39% in 2019. In 2022, although slightly decreased, the percentage remained relatively high at 32%, while in 2023 it dropped to 22%.¹¹

However, requirements for excessive documents—especially the requirement for land or property ownership—excludes many women farmers, as women’s share in real estate ownership in Kosovo is low, including agricultural land.

Findings show that women in Kosovo owned only about 20% of properties in 2024.¹² Lack of information about calls for support also contributes to the lower level of benefits for women entrepreneurs.¹³ The complexity of documentation, combined with transport costs for submission and application, as well as a lack of trust in the selection criteria, present significant challenges.¹⁴ Despite efforts to increase women’s participation in the agricultural sector, structural barriers remain the main obstacle to equal access to financial support.

Table 2. Grants allocated to businesses by MAFRD by gender, 2018-2023.

Grants	Number of beneficiaries		Average benefit value (in EUR)		Net value (in EUR)		Participation as % of total value	
	Women owned businesses	Men owned businesses	Women owned businesses	Men owned businesses	Women owned businesses	Men owned businesses	Women owned businesses	Men owned businesses
2023	108	328	39,699	45,683	4,287,511	14,984,166	22%	78%
2022	161	325	48,672	50,661	7,836,159	16,464,967	32%	68%
2019	213	275	30,685	37,177	6,535,979	10,223,655	39%	61%
2018	263	335	37,681	49,940	9,910,202	16,730,055	37%	63%
Total	745	1,263	156,737	183,461	28,569,851	58,402,843	33%	67%

Source: MAFRD; GAP calculations

¹¹ This data includes only businesses, and excludes beneficiaries from Local Action Groups (LAGs). LAGs are groups that implement projects in the communities where they operate, using funds from donor institutions and organizations, registered as non-governmental organizations in accordance with Kosovo legislation. Ministry of Agriculture Forestry and Rural Development. Guidelines for Application.

¹² UN Women. Kosovo Gender Country Profile. Property and inheritance rights. p. 57, 2024

¹³ UN Women. In Kosovo, gender-responsive budgeting raises hope for rural women. 2021.

¹⁴ GAP Institute Market access challenges and opportunities for women-owned and minority-owned businesses in Kosovo. 2024. p.12.

Ministry of Industry, Entrepreneurship and Trade (MIET)

MIET, through the Kosovo Investment and Enterprise Support Agency (KIESA), has provided grants to micro and small enterprises, including those owned by women.¹⁵ These were grants for various purposes, including purchasing machinery, product certification, support for handicrafts, innovation, digitalization, and other similar areas.¹⁶ The main goal of these schemes is to promote local production and support various economic sectors. MIET has also organized fairs, such as the “Women in Business” fair, to promote the products and services of businesses led by women.¹⁷

The data on the distribution of grants for businesses owned by women and men in Kosovo

during 2018–2024 by MIET/KIESA shows a consistent gender disparity. In every year analyzed, men received the majority of grants, averaging around 80% of the total amount, while women received only 20%. This disparity reflects not only a difference in total support value but also in the average amount per business, with male entrepreneurs consistently receiving more than women. Although in 2020 there was a more balanced distribution (49% for women and 51% for men), this trend did not continue in the following years.

Tabela 3. Businesses benefiting from grants from MEIT/KIESA, 2018-2024

Year	Women-owned businesses			Men-owned businesses			Total
	Average value (EUR)	Total value (EUR)	%	Average value (EUR)	Total value (EUR)	%	
2024	13,998	1,063,842	16%	17,228	5,439,920	84%	6,504,762
2023	26,968	188,773	16%	22,575	957,654	84%	1,146,426
2022	14,361	114,888	16%	20,896	585,101	84%	699,989
2021	2,747	107,152	19%	8,361	459,833	81%	566,985
2020	12,502	400,079	49%	20,000	420,000	51%	820,079
2019	26,667	80,000	11%	24,734	618,350	88%	698,350
2018	67,500	135,000	9%	40,886	1,349,248	90%	1,484,247
Total	164,743	2,089,734	20%	154,680	9,830,106	80%	11,920,838

Source: MIET/KIESA; GAP Calculations

15 Kosovo Investment and Enterprise Support Agency(KIESA). MSME Support.

16 Ibid.

17 Ibid. “Women in Business” Fair.

Based on the GAP Institute's survey data, the inclusion of women-owned and minority-owned businesses in the support schemes offered by KIESA is low. At the local level, none of the surveyed women-owned businesses reported receiving any help or support from KIESA.¹⁸ Inclusion for minority-owned businesses is also very limited, with only 2% of respondents from this group reporting having received any form of support from KIESA. The situation highlights the presence of structural challenges that limit equal access for women to support from KIESA.¹⁹

Ministry of Regional Development (MRD)

Through the Balanced Regional Development Program (BRDP), this institution provides financial support to micro and small enterprises across all regions of the country.²⁰ The main goal of the BRDP is to reduce regional disparities and promote sustainable economic development in all parts of Kosovo. The program aims to empower local enterprises by creating opportunities for employment and economic growth in various communities.²¹

In projects funded by this program, there is no equal gender distribution. In the period 2018–2024, men consistently received a higher percentage of project support, reaching up to 78% in 2020, while women's participation ranged from 22% to 40%. Although in 2022 and 2024 the percentage of women increased to 40%, this still falls short of gender equality.

Table 4. *Businesses benefiting from grants from MRD by gender, 2018-2024*

Year	Financing value (EUR)	Number of projects	Men	%	Women	%
2024	2,415,779	189	114	60%	75	40%
2023	1,563,003	131	84	64%	47	36%
2022	3,030,934	332	198	60%	134	40%
2021	1,376,279	164	119	73%	45	27%
2020 ^{15a}	3,881,500	321	264	82%	57	18%
2019	2,387,769	201	146	73%	55	27%
2018	1,346,806	145	93	64%	52	36%
Gjithsej	16,002,070	1,483	1,018	68%	465	32%

Source: MRD; GAP calculations

^{15a} In 2020, the number of projects represents beneficiaries from the BRDP and Measure 8. Out of a total of 321 beneficiaries, 153 (48%) were allocated under the BRDP program, while 168 (52%) from Measure 8.

¹⁸ Based on data of the GAP survey.

¹⁹ Ibid.

²⁰ Ministry of Regional Development.

²¹ Ibid.

Additionally, Albanians comprise the vast majority of beneficiaries of MRD grants, with over 80%, while other communities such as Turkish, Bosniak, and others benefit at a lower level.

Table 5. Businesses benefiting from grants from MRD by ethnicity, 2018-2024

Year	Number of projects	Albanian	Total Albanians (%)	Turkish	Bosniak	Gorani	Serb	Other minority communities	Total ethnic minorities (%)
2024	189	163	86%	21	2	0	3	0	14%
2023	131	119	91%	7	2	0	2	1	9%
2022	332	287	86%	26	9	0	9	1	14%
2021	164	151	92%	8	0	1	4	0	8%
2020 ²²	153 168	133	87%	10	0	0	8	2	13%
2019	201	167	83%	1	13	1	13	6	17%
2018	145	118	81%	2	9	1	10	5	19%
Total	1,483	1,138	87%	75	35	3	49	15	13%

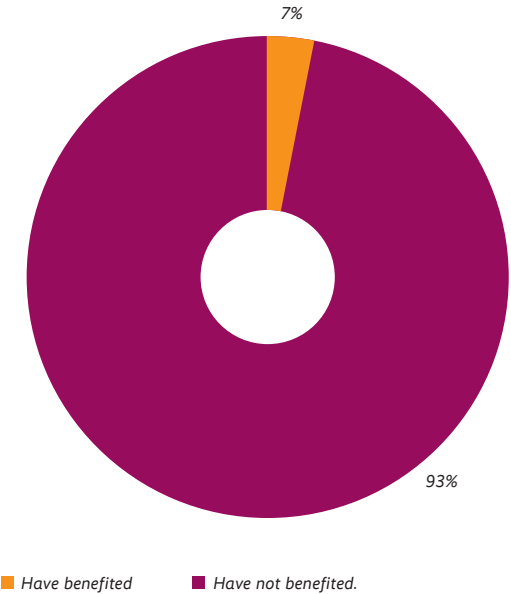
Source: MRD; GAP calculations

GAP Survey Data on Grant/Subsidy Beneficiaries from the Central Level

According to the survey conducted by the GAP Institute, the data show a low level of grant and subsidy benefits at the central level for women-owned businesses and those owned by ethnic minorities. Only 7% of women-led businesses and 8% of those owned by ethnic minorities reported having benefited from such forms of support.

Benefits from grants/subsidies from the central level for women-owned businesses

Figure 2.

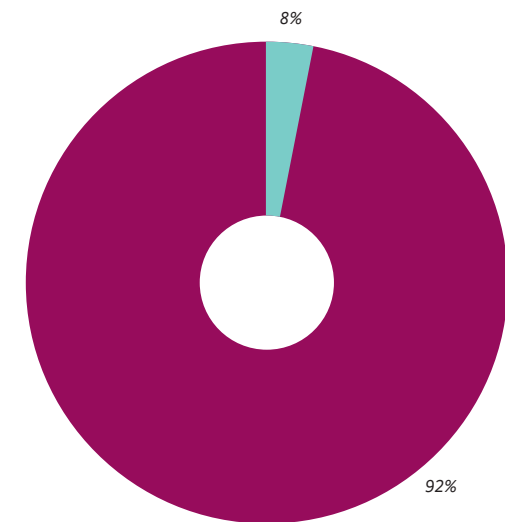


Source: GAP Survey

²² In 2020, the funding value represents a combination of funds from the BRDP and Measure 8. Of the total 3,881,500 EUR, 1,896,514 EUR (or 49%) were financed by the program, while 1,984,986 EUR (or 51%) from Measure 8.

Benefits from grants/subsidies from the central level for ethnic minority-owned businesses

Figure 3.



■ Have benefited ■ Have not benefited.

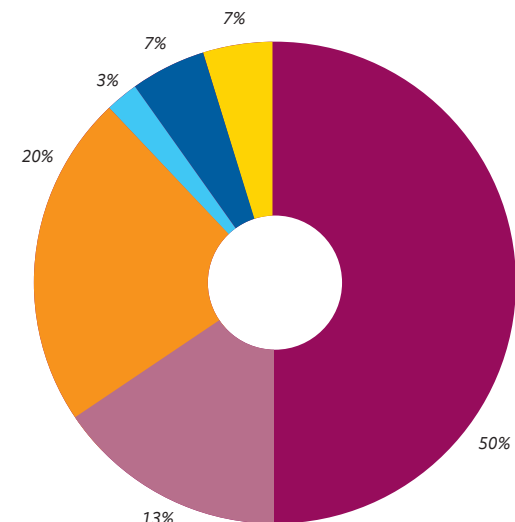
Source: GAP Survey

Among women-owned businesses, the majority of owners fall within the age groups of 30–39 years (38%) and 40–49 years (38%) (Figure 1 in the Annex). Meanwhile, among businesses owned by ethnic minorities, the highest percentage of owners is concentrated in the 40–49 age group (81%) (Figure 2 in the Annex).

According to the survey data, among women-owned businesses that received grants/subsidies from the central level, half (50%) operate in the agriculture, forestry, and fishing sector, followed by 20% in wholesale and retail trade, and 13% in manufacturing. On the other hand, businesses owned by members of ethnic minorities are mainly focused on wholesale and retail trade (56%), followed by accommodation and food services (16%), education (12%), and agriculture, forestry, and fishing (8%). These data indicate that women entrepreneurs supported at the central level are more concentrated in production and agriculture sectors, whereas ethnic minority businesses are more focused on trade and service sectors.

Primary activities of women-owned businesses supported by the central level

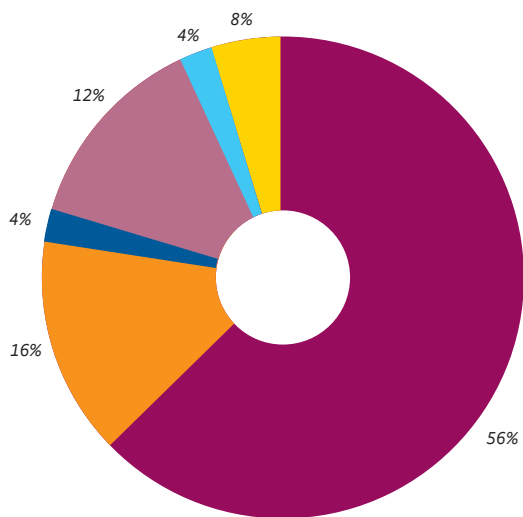
Figure 4.



■ Agriculture, Forestry and Fishery ■ Generation
■ Tregti me shumicë dhe pakicë
■ Wholesale and retail trade
■ Professional, scientific and technical Activity
■ Other service activities

Primary activities of ethnic minority-owned businesses supported by the central level

Figure 5.



■ Agriculture, Forestry and Fishery
■ Wholesale and retail trade
■ Accommodation and catering activities
■ Financial and insurance activities
■ Education ■ Other service activities

Source: GAP Survey

In terms of education, the majority of women-owned businesses that have benefited from grants/subsidies at the central level have completed vocational secondary education (45%) and bachelor-level education (28%). The econometric model presented in the annex²³ also finds that a higher level of education increases the likelihood of women entrepreneurs benefiting from grants/subsidies. The same applies to businesses owned by ethnic minorities, which also mainly have vocational secondary education (41%) and bachelor-level education (28%).

For women-led businesses, most of the supported businesses were established after 2010, with a high percentage in 2016 (37.9%) and 2015 (17.2%), indicating a notable increase in women-owned enterprises during these years (Figure 3 in the Annex). However, being an experienced business, according to the econometric model's calculations, does not increase the likelihood of receiving a subsidy, which suggests that institutions aim to support all groups, including recently established businesses and start-ups. On the other hand, for businesses owned by ethnic mi-

norities, the dominant year is 2005, with 38.5% of supported businesses, while the distribution in other years is more balanced and spread over a longer period, including earlier years such as 2000 and 2010, each with 11.5%. This suggests that ethnic minority businesses benefiting from institutional support tend to have a longer history of activity, while women-led businesses are more recent and have seen rapid growth in recent years, especially after 2015 (Figure 4 in the Annex).

Data on the size of businesses that have received grants and/or subsidies from the central level show that the vast majority are micro-enterprises, both in the case of women and ethnic minorities. Among businesses owned by women, 97% are micro-enterprises and only 3% are small enterprises, indicating a clear dominance of micro-enterprises. Similarly, among ethnic minority businesses, around 85% are micro-enterprises, while 15% are small enterprises.

²³ The econometric model is carried out using only women-owned businesses, as the minority-owned business survey did not include sufficient observations regarding the beneficiaries of grants/subsidies required for modelling.

Financial Support from the Local Level (Municipalities)

Municipalities play an important role in creating a environment conducive for business development, including support for enterprises in the form of grants, subsidies, or various trainings, especially for small and medium enterprises.²⁴ Prizren, Ferizaj, South Mitrovica, Peja, and Gjilan are examples of business support, for which data was obtained through requests for access to public documents.²⁵

Municipality of Prizren, in the period 2018–2024, provided business support subsidies, with a notable increase in funds seen especially in recent years. However, the majority of this support has primarily benefited men-owned businesses. Around €89,000 were distributed in 2023, with an increase of subsidy funds to over €108,000 in 2024. Despite this increase, only 34% of the 2024 support (€36,480) was given to women-owned businesses.

Table 6. Supporting businesses through subsidies by value and gender, 2018-2024

Year of support	Total support value (in EUR)	Total support value for men's businesses (in EUR)	%	Total support value for women's businesses (in EUR)	%
subvencione					
2018	20,350	16,400	81%	3,950	19%
2019	20,000	12,200	61%	7,800	39%
2020	30,000	18,600	62%	11,400	38%
2021	30,600	20,600	67%	10,000	33%
2022	30,000	16,550	55%	13,450	45%
2023	89,249	51,679	58%	37,570	42%
2024	108,200	71,720	66%	36,480	34%
Total	328,399	207,749	64%	120,650	36%

Source: Municipality of Prizren; GAP Calculations

24 CDF. Municipal Business Support Services in USAID/AKT-LS Partner Municipalities in Kosovo. 2017.

25 The Municipality of Pristina does not have any special business support program, according to their response.

Municipality of Mitrovica South, in cooperation with local and international NGOs, allocated funds to support businesses in recent years through various forms of collaboration. In 2024, the municipality offered grants to businesses based on the best idea, with each beneficiary receiving €5,000. Out of nine total beneficiary businesses, four were women-owned.²⁶ In 2022, in partnership with the German Federal Ministry for Economic Cooperation and Development, ten women-led businesses were funded with a total of €25,000 under a scheme supporting women in business. In 2023 and 2024, in collaboration with the organization HELP Kosovo, funds were allocated to around 20 women- and minority-owned businesses, totaling €83,675. From this amount, up to €2,400 were allocated per business for equipment purchases, while €19,200 were directly provided by the Municipality of Mitrovica South.

Municipality of Ferizaj has continuously supported local entrepreneurship through the allocation of grants and subsidies for small businesses and start-ups. However, the inclusion of women in these schemes has varied over the years. In 2020, out of 36 municipal grant beneficiary businesses, 26 (73%) were women-owned. In the following year, this inclusion dropped significantly, with only 7 out of 39 grant beneficiaries being women-owned businesses.²⁷ In an effort to increase support for women entrepreneurs, in 2023 and 2024, Municipality of Ferizaj allocated dedicated funds for subsidizing start-ups, micro-enterprises, and women-owned businesses. In 2023, 40 grants of €2,500 each were awarded—all to women-owned businesses. In 2024, out of 49 total subsidy recipients, 35 were women-led businesses, each receiving a €2,000 grant.²⁸

Municipality of Peja, in 2023, in cooperation with the organization HELP, distributed grants to 24 businesses, of which 45% were women-owned. In terms of ethnic composition, only 4% of beneficiaries belonged to minority communities. HELP contributed with €88,600, with the Municipality of Peja contributing with €19,200, and around €2,500 were distributed in the form of donated equipment. In 2024, through the Directorate for Economic Development of the Municipality of Peja provided subsidies to 34 businesses with a total value of nearly €50,000. Of these beneficiary businesses, 47% were women-owned, while only 2% were owned by members of ethnic minorities.

Municipality of Gjilan, in 2023, for the first time launched the public call “Young Entrepreneurs Fund” aimed at subsidizing existing and new businesses, including women-owned businesses and start-ups. 45 businesses were supported through this call, of which 37 (82%) were women-owned. The average grant value per business was around €3,000, with a total of €113,348 allocated. Similarly, in 2024, a total of 28 businesses were supported, of which 23 (82%) were women-owned. The average subsidy amount was €3,800 per business, while the total funds allocated reached €107,175. In previous years, the Municipality of Gjilan did not allocate subsidies from its own budget for these categories but acted as a co-financing agent in projects implemented by organizations such as HELP, which led the selection and support process for the businesses.

Businesses benefiting from these grants mainly focused on sectors such as traditional food preparation, sweets and pastry, tailoring, and similar activities—sectors that correspond with the highest number of women beneficiaries.²⁹ This shows a direct link between the nature of the supported economic activities and the par-

²⁶ This program was implemented in collaboration with Caritas Kosova.

²⁷ Data were obtained through requests for access to public documents addressed to the respective municipalities.

²⁸ Ibid.

²⁹ Ibid.

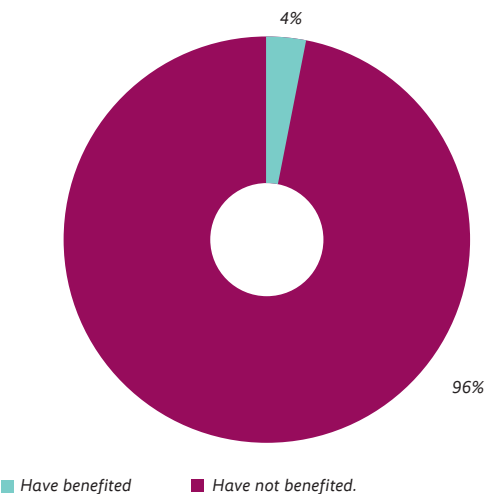
participation of women in these schemes. This orientation reflects the need for further policies that promote the diversification of women's economic engagement into other development fields as well.

GAP Survey Data on Grant/Subsidy Beneficiaries from the local level

According to the GAP survey data, only 4% of all women-owned businesses have ever benefited from local-level grants and/or subsidies. In comparison, 9% of businesses owned by members of ethnic minority communities report having received grants and/or subsidies from the municipalities where they operate.

Benefits from grants/subsidies from the local level for women-owned businesses

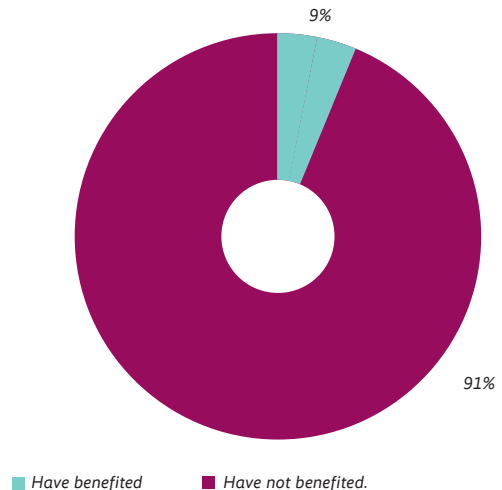
Figure 6.



Source: GAP Survey

Benefits from grants/subsidies from the local level for ethnic minority-owned businesses

Figure 7.



Source: GAP Survey

Surveyed business which received grants and/or subsidies from the local level reported having mainly received support from the municipalities of Ferizaj (40%), Prizren (20%) and Obiliq (13%) in the case of women-owned businesses.

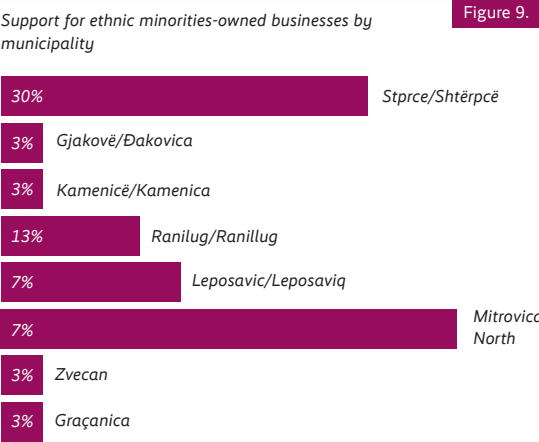
Support for women-owned businesses by municipality

Figure 8.



Source: GAP Survey

For businesses owned by ethnic minorities, the highest benefit rates were recorded in Mitrovica North (33%) and Strpce (30%), followed by Leposavic (13%) and Ranilug (10%). Other municipalities such as Kamenica, Fushë Kosova, Podujeva, Prishtina, Gjakova, Zvecan and Graçanica are represented with lower percentages.



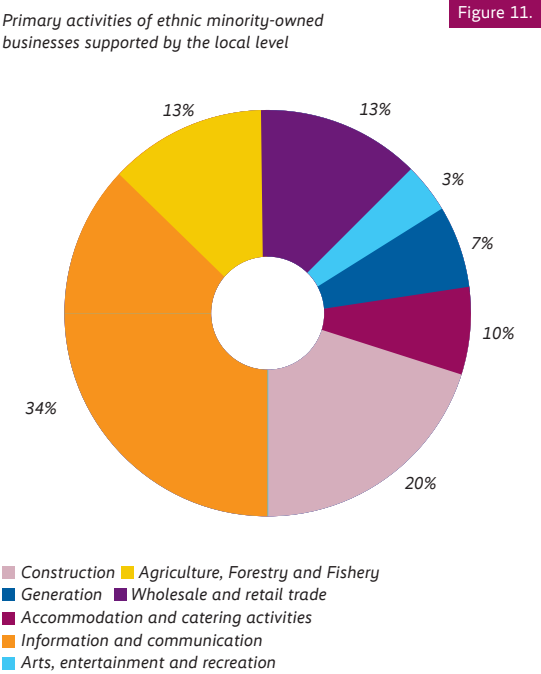
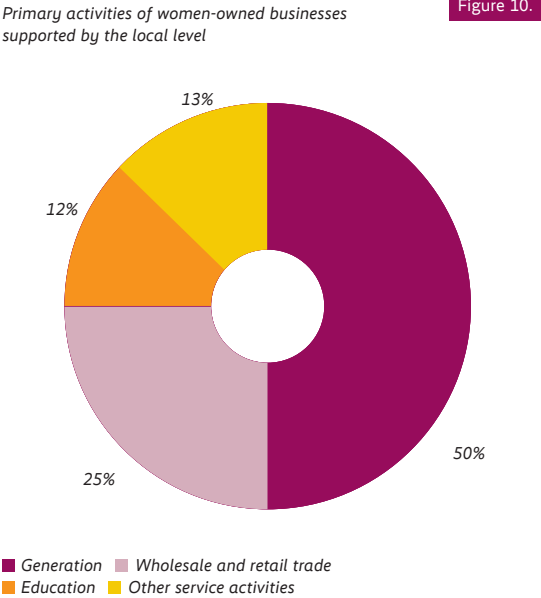
Source: GAP Survey

Among women-owned businesses, the majority of local-level support beneficiaries fall into the 40–49 age group (28%) and the 50–59 age group (43%) (Figure 5 in the Annex). Meanwhile, among ethnic minority-owned businesses, most beneficiaries of grants and subsidies fall into the 30–39 age group (30%) and 40–49 age group (52%) (Figure 6 in the Annex).

Around half (50%) of women-owned beneficiary businesses operate in the manufacturing sector, followed by 25% in wholesale and retail trade, 13% in service activities, and 12% in education. On the other hand, minority-owned businesses that received local-level grants/subsidies are primarily focused on the technology sector (34%), followed by construction (20%), agriculture, forestry, and fishing (13%), and other sectors to a lesser extent.

These GAP survey findings indicate that women benefiting from local-level support are more concentrated in sectors of manufacturing and trade, while ethnic minorities are more oriented toward technology and communication services.

In terms of year of establishment, most of the supported businesses were founded in the last ten years, with 36% of women-owned businesses established in 2016, and 24% of ethnic minority-owned businesses established in 2015.



Source: GAP Survey

Financial Support from Non-Governmental Organizations

In recent years, several international organizations have provided substantial support to MSMEs in Kosovo, with a particular focus on women and ethnic minorities. The UNDP Economic Resilience Program, launched in 2024, supported 40 businesses in strengthening their resilience and improving business models, 40% of which were women-owned.³⁰ The USAID Program for Entrepreneurship and Economic Development has provided grants and entrepreneurial training to women and ethnic minorities.³¹ From this initiative, a total of 143 grants were awarded: €960,000 went to 116 women-owned businesses, and €237,000 to 27 ethnic minority-owned businesses.³²

Caritas Kosovo, through its Empowerment of Rural Economies in Agriculture (EREA) project,³³ continues to promote sustainable and inclusive rural development, aiming to improve access to economic opportunities for women and marginalized groups in rural areas. This project, launched in 2023 and planned to run through the end of 2026, envisages support for businesses with a total budget of 3.6 million Swiss francs.³⁴ On the other hand, W4W, together with GLZ, through the “Women-Owned Businesses” campaign, also supported women entrepreneurs by offering grants totaling around €80,000 for the best business ideas, employment promotion,

business expansion, and similar goals.³⁵ CARE has also supported new start-ups and businesses in the agricultural sector by providing grants with an average value of €10,000. To date, 69 women-owned businesses have been supported.³⁶ These initiatives serve as key instruments for economic empowerment and the promotion of social equality in the country.

GAP Survey Data on Grant/Subsidy Beneficiaries from the Non-Governmental Organizations

According to data from the survey conducted by the GAP Institute, around 10% of women-owned businesses and 8% of those owned by ethnic minorities in Kosovo have received financial assistance in the form of grants from local and international organizations. This percentage is higher than benefits from schemes provided by public institutions, both at the central and local levels, indicating a greater effectiveness of non-governmental organizations in delivering targeted support for women and ethnic minorities.

³⁰ United Nations Development Program (UNDP). Annual Achievement Report. 2025.

³¹ Community Development Fund (CDF). 140 Resilience Grants Awarded.

³² Data provided through request for access to data allocated by USAID activity.

³³ EREA is short for Empowering Rural Economies in Agriculture agriculture. Caritas. EREA project in Kosovo.

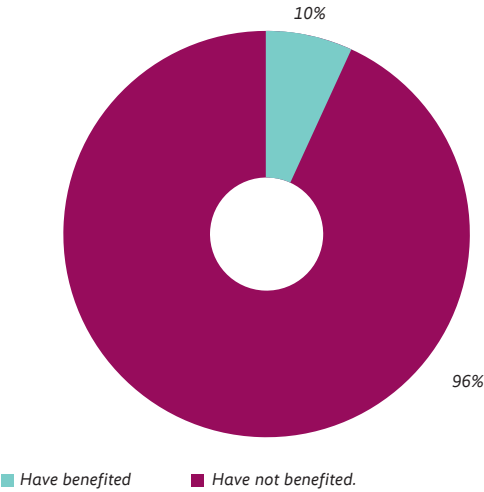
³⁴ Ibid.

³⁵ GLZ. Support of female entrepreneurs in Kosovo. Supporting women-owned businesses in Kosovo. 2021

³⁶ CARE International. CARE Supports 20 Women from Kosovo to Start Businesses in Agriculture and Food Processing.

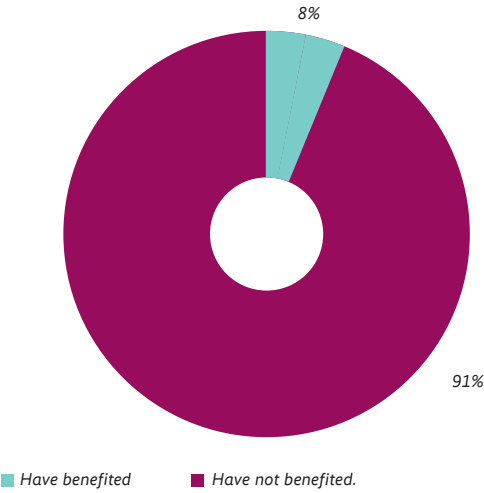
“Benefits from grants/
Non-government organization”

Figura 12.



“Benefits from grants/ subsidies from non-govern-
mental organizations for ethnic minority-owned
businesses”

Figura 13.



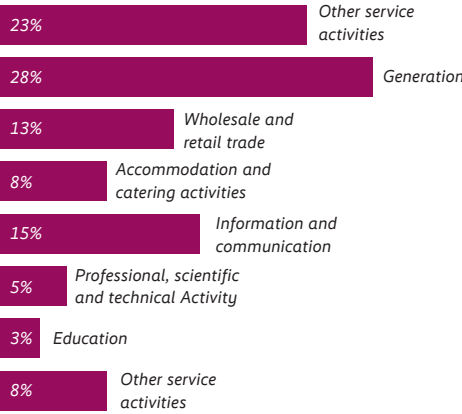
Source: GAP Survey

Data reveal that women-owned businesses were primarily supported by USAID (33%), Women for Women (WfW) (12%), and other organizations with smaller contributions. On the other hand, ethnic minority-owned businesses received most of their support from USAID (67%). Manufacturing is the prevailing sector among women and ethnic minority beneficiaries, followed by agri-

culture, forestry, and fishing, which received the most financial assistance from NGOs.

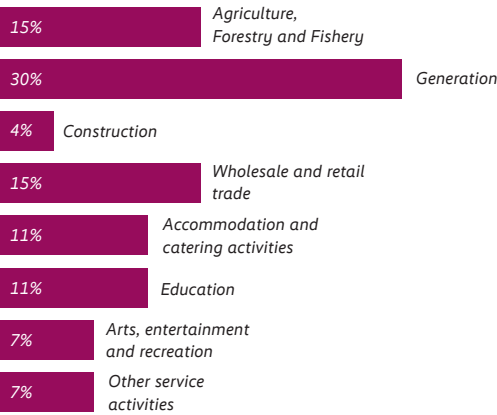
Primary activities of **women-owned businesses**
supported by non-governmental organizations

Figura 14.



Primary activities of **ethnic minority-owned businesses**
supported by non-governmental organizations

Figura 15.



Source: GAP Survey

The dominant age group among women and ethnic minority business owners who received support is 50–59 years (Figures 8 and 9 in the Annex). In terms of education, most business owners have completed vocational secondary school—38% of women and 59% of ethnic minority business owners. Around 33% of women-owned beneficiary businesses were established in 2016, compared to ethnic minority-owned businesses, which were mostly

established earlier—approximately 26% in 2007, followed by 22% in 2015 (Figures 11 and 12 in the Annex). Furthermore, all women-owned beneficiary businesses were micro-enterprises, while among ethnic minorities, 90% were micro and 10% small businesses.

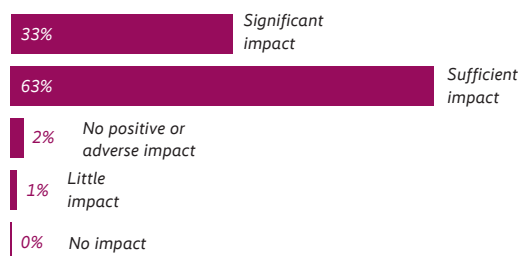
Impact of all Grants/Subsidies on Business Performance

Data from the GAP Institute survey reveal that receiving grants and subsidies at all levels has had a significant positive impact on business performance, both for women and for ethnic minority communities. Among women-owned businesses, 63% of respondents stated that the support sufficiently contributed to the development of their business, while 33% assessed the impact as very strong. Only a very small percentage (3%) reported a low impact, and none reported a complete lack of impact.

On the other hand, among ethnic minority-owned businesses, 51% of participants stated that financial support had a strong impact on their performance, while 48% said the impact was sufficiently positive. Similarly, only 2% reported a moderate impact in this group too, and there were no reports of low or no impact. These results suggest that grant and subsidy support plays a key role in empowering and sustainably developing businesses owned by women and ethnic minority communities.

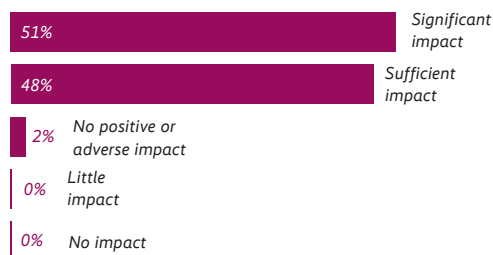
The impact of grants/subsidies on the performance of women-owned businesses

Figure 16.



The impact of grants/subsidies on the performance of ethnic minority-owned businesses

Figure 17.



Source: GAP Survey

Conclusions and Recommendations

Based on the detailed analysis of financial support schemes, this report concludes that the inclusion of women- and ethnic minority-owned businesses in Kosovo remains significantly low. Most beneficiaries of public schemes are men-owned businesses concentrated in the majority community, highlighting the lack of equal and inclusive access. Although limited in number and value, financial aid has had a positive impact on the development of women's and ethnic minorities' businesses, especially in improving their economic performance. Non-governmental organizations have proven to be more effective supporters of these groups due to their flexible criteria and needs-based approaches. There is a need, therefore, to review current policies, with a focus on the establishment of affirmative schemes, strengthening transparency, and integrating gender and ethnic dimensions in the planning and implementation of financial support. Only through such an approach can more equitable, inclusive, and sustainable development be achieved for all groups in society.

On the basis of the findings of this report, GAP Institute recommends as follows:

- To develop affirmative grant and subsidy schemes specifically dedicated to women and ethnic minorities, aimed at growing and expanding their businesses. This could include setting quotas reserving a fixed percentage of funds solely for businesses owned by women and ethnic minorities. .
- To reduce bureaucratic procedures by simplifying the documentation required during the application process for grants and/or subsidies.
- To lower the eligibility criteria for financial support by reducing the requirements for prior business experience and annual turnover. To ensure effective monitoring so that grants/subsidies are spent according to business plans.
- To organize outreach campaigns in communities, especially in rural areas, to raise awareness among women and ethnic minorities about grant/subsidy opportunities and how to apply.
- To increase transparency in the publication of official data and include gender and minority-based disaggregation in the official list of beneficiaries from public institutions.
- To strengthen cooperation with NGOs, by institutionalizing their most successful practices into public policy frameworks.
- To expand technical support, including mentoring and application assistance, especially for women and groups with limited access to information on available support schemes.
- To promote financial literacy and the inclusion of women and ethnic minorities by offering targeted financing and investment programs, while ensuring close cooperation with the Kosovo Credit Guarantee Fund.

Annex

To better understand the factors influencing access to support through subsidies from central-level institutions for women entrepreneurs, an econometric analysis was conducted on the survey data of women-owned businesses. Since the number of businesses that have benefited from support is limited to around 9%, according to the literature, in addition to Probit/Logit models with a limited number of predictors (to avoid overfitting and statistical uncertainty), it is appropriate to use specialized models for rare events (such as firthlogit).³⁷

The probability that enterprise, i , receives a subsidy is calculated from the function:

$$\Pr(\text{Subsidy}_i = 1) = \frac{1}{1 + e^{-X_i\beta}}$$

where X_i is a vector of explanatory variables that includes education level, number of employees, membership to associations, business age, and municipal categories, while β is the corresponding coefficient vector. In the firthlogit model, the formula used to calculate coefficients differs from the standard logit model, as the former applies penalization to reduce bias resulting from small sample sizes.³⁸

The comparison of results between the rare-events firthlogit model and the standard logit model in our case shows no differences in the signs or significance of the independent variables, and the differences in coefficient magni-

tudes are not large—especially for models with fewer independent variables. Therefore, the marginal effect is calculated based on the logit model. Furthermore, to adopt the methodological requirements and avoid losing the modeling power, we also grouped certain variables—such as clustering municipalities into regions.

The results of our model indicate that higher levels of education have a significant effect on subsidy benefits. In models with fewer dependent variables, all education levels above primary show significantly higher probabilities of benefiting, especially individuals with a bachelor's degree.

Business size has a significant and positive impact—businesses with more employees are more likely to benefit, which may reflect greater application capacity or easier fulfillment of eligibility criteria. Additionally, membership in business associations also has a positive effect, likely linked to better access to information. Years of business operation do not show statistically significant results, but the negative effect suggests that more recent businesses are more likely to benefit—perhaps due to certain schemes focused on start-ups.

³⁷ According to King & Zeng (2001), Rare event models (such as relogit) are needed when the absolute number of events is very low. Allison (2012) emphasizes that there is no need for such models as long as there are at least 15 events per predictor. In this analysis, with 36 positive cases and no more than 3 predictors in each model, the use of the standard Probit model is methodologically supported.

³⁸ We also built other versions of the models that control for variables such as region or sectors, but they did not affect the sign of the key variables.

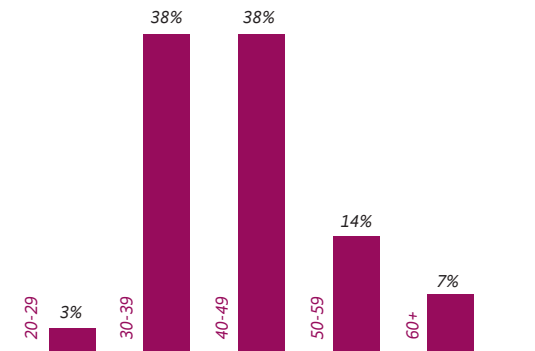
	Firthlogit (1)	Logit (2)	Logit marginal effects (2)	Firthlogit (3)	Logit (4)	Logit marginal effects (4)
	(subsidy)	(subsidy)		(subsidy)	(subsidy)	
Primary school	0 (.)	0 (.)	0 (.)	0 (.)	0 (.)	0 (.)
Secondary education (gymnasium)	1.353 (1.44)	1.664 (1.50)	0.0675* (1.68)	1.253 (1.33)	1.572 (1.40)	0.0698 (1.63)
Secondary education vocational	1.472* (1.69)	1.838* (1.75)	0.0820*** (2.70)	1.474* (1.68)	1.852* (1.75)	0.0942*** (2.69)
University degree (bachelor)	1.561* (1.75)	1.915* (1.80)	0.0891** (2.47)	1.124 (1.23)	1.452 (1.34)	0.0609* (1.77)
Master's degree/ Doctorate	1.022 (0.97)	1.210 (0.97)	0.0383 (0.92)	0.413 (0.37)	0.557 (0.42)	0.0152 (0.43)
Number of employees				0.0646 (1.28)	0.0680 (1.27)	0.00482 (1.27)
Chamber of Commerce				1.589*** (2.62)	1.627** (2.57)	0.115** (2.54)
Year of operation				-0.0753 (-1.43)	-0.0798 (-1.50)	-0.00565 (-1.49)
Constant	-3.646*** (-4.41)	-4.043*** (-4.01)		-3.080*** (-3.10)	-3.476*** (-3.01)	
Observations	388	388		388	388	

Source: GAP calculations

→ Grants/subsidies from the central level

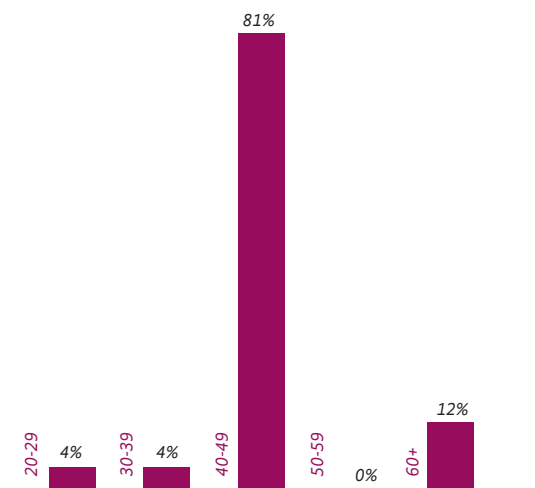
Women-owned businesses, beneficiaries of central level grants/subsidies, by age

Figure 1.



Ethnic minority-owned businesses, beneficiaries of central level grants/subsidies, by age

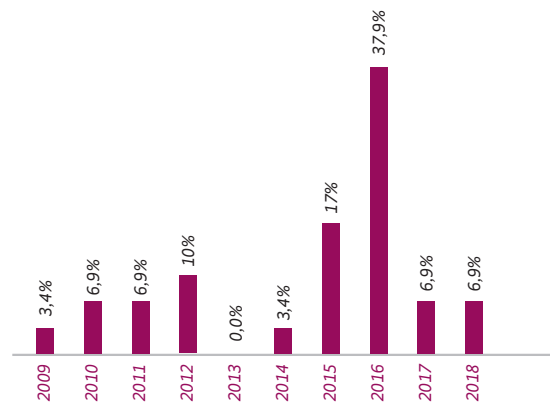
Figure 2.



Source: GAP Survey

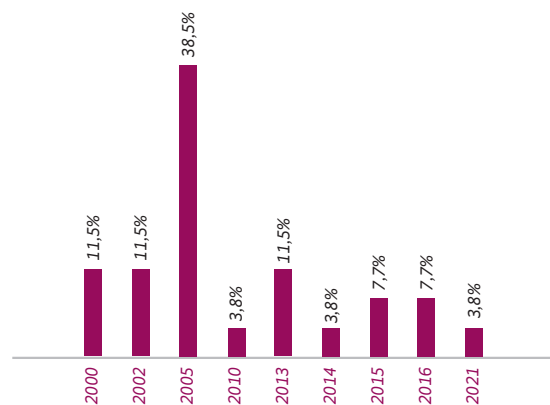
Women-owned businesses, beneficiaries of central level grants/subsidies, by year of establishment

Figure 3.



Ethnic minority-owned businesses, beneficiaries of central level grants/subsidies, by year of establishment

Figure 4.

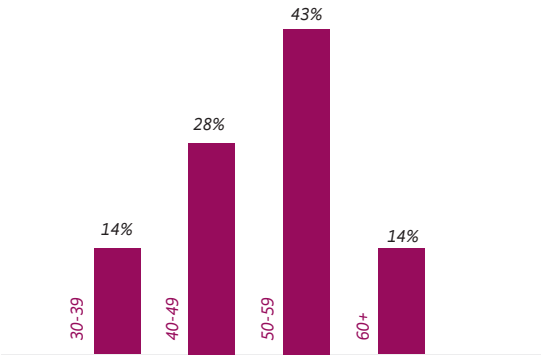


Source: GAP Survey

→ Grants/subsidies from the local level

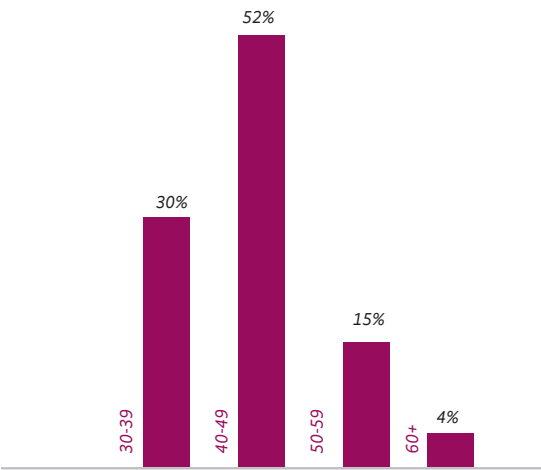
Women-owned businesses, beneficiaries of local level grants/subsidies, by age

Figure 5.



Ethnic minority-owned businesses, beneficiaries of local level grants/subsidies, by age

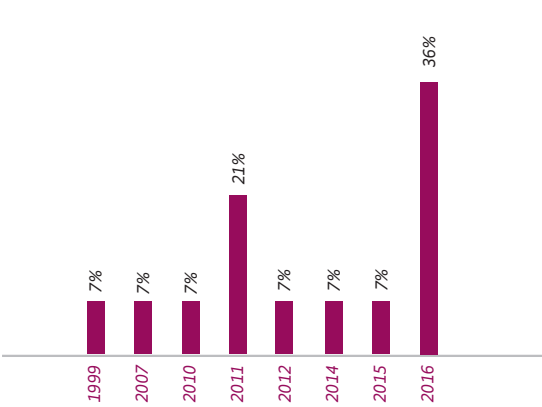
Figure 6.



Source: GAP Survey

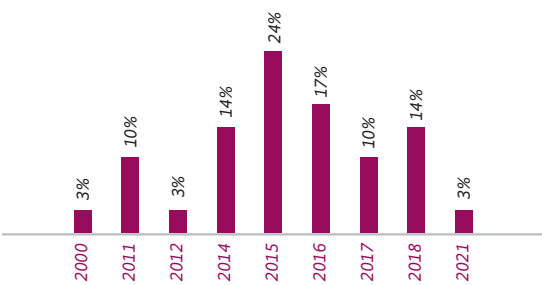
Women-owned businesses, beneficiaries of local level grants/subsidies, by year of establishment

Figure 7.



Ethnic minority-owned businesses, beneficiaries of local level grants/subsidies, by year of establishment

Figure 8.

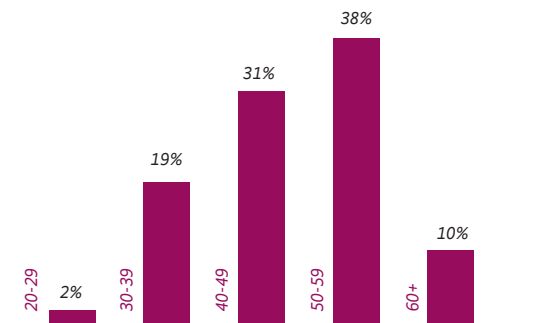


Source: GAP Survey

→ Grants/subsidies from Non-Governmental Organizations

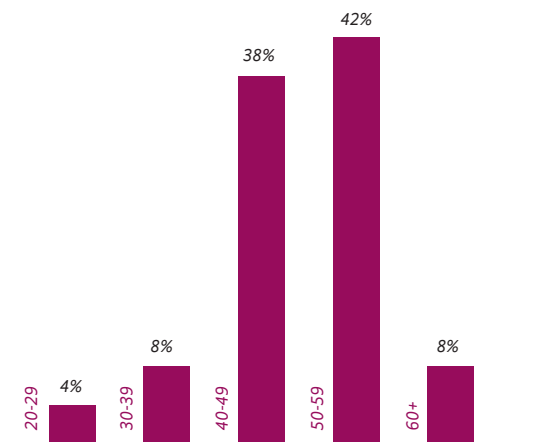
Women-owned businesses, beneficiaries of Non-Governmental Organizations grants/subsidies, by age

Figure 9.



Ethnic minorities-owned businesses, beneficiaries of Non-Governmental Organisation grants/subsidies, by age

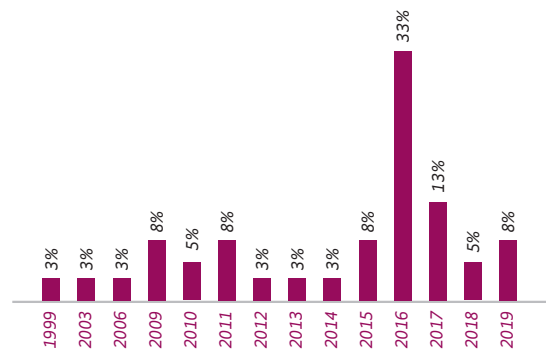
Figure 10.



Source: GAP Survey

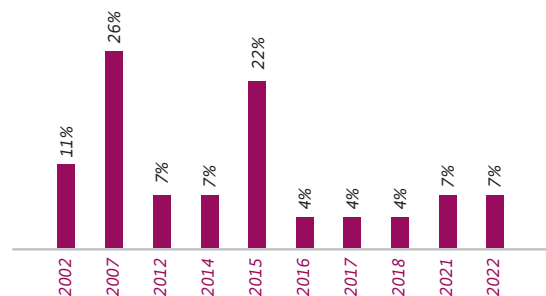
Women-owned businesses, beneficiaries of Non-Governmental Organizations grants/subsidies, by year of establishment

Figure 11.



Ethnic minority-owned businesses, beneficiaries of Non-Governmental Organizations grants/subsidies, by year of establishment

Figure 12.



Source: GAP Survey

Table 1. Amount received by women-owned businesses from central, local and non-governmental organizations

Value (EUR)	Central level	Local Level	NGO
100	-	12%	-
150	-	-	1%
400	-	-	4%
500	8%	9%	-
600	1%	-	-
700	-	9%	-
770	-	5%	-
780	4%	-	-
800	3%	11%	2%
950	6%	-	-
999	0	-	-
1000	9%	3%	9%
1500	8%	2%	10%
1700			4%
2000	18%	10%	7%
2020	-	-	-
2500	-	8%	9%
2700	-	-	15%
2800	-	7%	-
3000	5%	10%	5%
3500	4%	-	-
3600	2%	-	-
4500	2%	-	-
4700	4%	-	-
5000	-	-	5%
5800	-	10%	-
6000	-	-	6%
7000	2%	-	-
8000	2%		5%
9000	-	-	2%
10000	-	-	8%
12000	4%	-	-
12500	-	-	4%
15000	2%	-	-
20000	8%	-	-
28000	2%	-	-
29000	-	-	2%
30000	2%	-	-
46000	2%	-	-
120000	-	-	3%

Source: GAP Survey

Table 2. Amount received by ethnic minority-owned businesses from central, local and non-governmental organizations

	Central level	Local Level	NGO
500	1%	-	-
600	8%	-	-
700	10%	-	-
1,000	-	-	9%
1,500	-	2%	-
2,000	41%	-	-
2,021	-	1%	-
2,200	-	-	1%
2,500	-	-	-
3,000	3%	-	29%
3,500	-	-	3%
4,000	1%	4%	2%
4,500	-	2%	1%
5,000	23%	20%	14%
5,500	1%	-	2%
6,000	-	1%	5%
7,000	-	9%	10%
7,500	2%	5%	-
8,000	3%	15%	4%
8,500	-	4%	-
10,000	2%	28%	11%
12,000	1%	1%	-
15,000	3%	9%	-
25,000	-	-	10%

Source: GAP Survey