

## Municipal Infrastructure Development Fund (MIDF) and Erste Bank agreed on a EUR 10 million infrastructure development credit line

Podgorica, 6th May 2015 – The Municipal Infrastructure Development Fund (MIDF) and Erste Bank will support the development of sustainable infrastructure in Montenegro through a EUR 10 million credit line, as foreseen in the agreement signed in Podgorica. The credit line is intended for municipalities, public and private enterprises providing utility services to local governments.

The funds provided under this credit line will be used for the development of new and modernization of the existing municipal infrastructure in smaller municipalities which traditionally have limited capacity for sustainable infrastructural projects and are facing difficulties in obtaining loans from commercial banks in Montenegro.

*“We are proud to announce this great opportunity for the development of municipal infrastructure. At MIDF we believe that there is a strong demand for the development of local infrastructure, while the financial market in the country has not yet attended this sector to its full potential. It is through innovative ways of financing such as that provided by the cooperation of MIDF that we seek to bridge this financing gap in the municipal infrastructure in Montenegro and provide the necessary financial support to this end”,* said **Peter Moelders**, Head of the MIDF project.

*“We appreciate very much the cooperation established with MIDF and I am convinced that it will represent a significant contribution to financing of infrastructure projects at the local level. I expect that Montenegrin municipalities will recognize the quality of the offer and nominate as many sustainable projects as possible. Erste Bank has proven many times so far as a reliable and long-term partner supporting the development of Montenegro in various ways, and it will continue to do so in the future”* – said Chief Executive Officer of the Erste Bank, **Aleksa Lukić**.

The MIDF is an investment fund launched by the European Bank for Reconstruction and Development (EBRD) and the German Development Bank (KfW), with the support from the governments of Germany, Switzerland and Austria, aimed at stimulating growth of the municipal lending market and achieving long-term sustainability of municipal services in the Western Balkans. It has a sum of EUR 100 mil at its disposal. In line with the strategy for the future, in addition to Montenegro, the Fund’s activities will include Serbia, Bosnia and Herzegovina, Macedonia, Kosovo and Albania.

Erste Bank AD Podgorica has about 270 employees and close to 80 thousand clients served through a network of 16 branch offices. At the end of quarter I its total assets amounted to EUR 361.54 million and net profit of EUR 1.923 million. Erste Bank has been present in Montenegro since July 2009, and is a part of the Austrian Erste Group, the largest banking group in central Europe with over 17 million clients.

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