

# Montenegro: EIB to invest up to €50 million in small and medium enterprises through Erste Bank Montenegro

- The first tranche worth €30 million will be immediately available via Erste Bank Montenegro to local SMEs, mid-caps and public entities as more favourable loans;
- EIB funds to support manufacturing, tourism and services – among the hardest hit by the Covid-19 pandemic;
- EIB and EBM cooperation strengthens resilience of the Montenegrin economy, sustaining jobs and youth employment;

The European Investment Bank and Erste Bank Montenegro (EBM) have signed a €30 million loan to support small and medium enterprises and larger companies in Montenegro through working capital lines and investment loans. This is a first tranche of a loan worth €50 million the Erste applied for at the EU Bank. The funds will be available in form of more favourable commercial loans from Erste Bank Montenegro, to businesses operating across sectors such as tourism, manufacturing and services, among the hardest hit by the Covid-19 pandemic. The EIB credit line will also be open to Montenegrin public entities, including municipalities, for investments in energy and health infrastructure projects.

The funding will help sustain the existing jobs for Montenegrin companies and ease their financial strain during the Covid-19 crisis by providing the much-needed liquidity, thus enhancing resilience of the private and public sector in the country. Montenegrin companies creating youth employment opportunities under the European Youth Employment and Training for the Western Balkans (“EYET”) initiative will also be eligible to benefit from the loan. In the medium-term, the loan supports the Montenegro’s Economic Reform Programme (ERP) and the country’s accession in the European Union.

**Matteo Rivellini, Head of EIB Lending Operations in Croatia, Slovenia and Western Balkans** said: “As a member of the Team Europe, the EIB unlocked a €30 million immediate support package for the Montenegrin economy at time when such a support is key for tackling challenges brought by the Covid-19 pandemic. As one of the major foreign investors in Montenegro, we are glad our partnership with Erste Bank Montenegro is fostering local businesses by helping them to preserve jobs and meet their immediate liquidity needs.”

**Aleksa Lukić, Erste Bank Montenegro Chief Executive Officer**, said: “We are very pleased to continuing and further deepening the successful cooperation between our two institutions, particularly important in globally challenging times. Through this credit line we are able to offer additional funds under more favourable terms to our SME and MidCap clients and support them overcome the crisis as easy as possible, meeting their acute and their development

needs. Additionally, with this credit line we underscore our commitment to support public sector address public needs, providing financing for investment in energy and health infrastructure projects.”

**Aivo Orav, EU Ambassador and Head of EU Delegation to Montenegro** said: “We very much welcome EIB’s support to Montenegro as part of a wider EU assistance package for the response to Covid-19. The EU is supporting Montenegro at all levels: delivering reliable testing kits, procuring lifesaving equipment and protective gear for the health workers, dedicating funds for the longer-term recovery with a focus on the health sector, economy and businesses as well as providing favourable loans. We hope that our mix of support instruments will assist Montenegro in an efficient way, on its road to recovery after this virus. We continue to stand by Montenegro, as the biggest donor, political and trade partner, showing EU solidarity at work.”