

Press Release

Belgrade, April 24th 2015

Municipal Infrastructure Development Fund to boost municipal infrastructure in Serbia

The Fund finances its first Partner Bank in the Western Balkans

The Municipal Infrastructure Development Fund (MIDF) is supporting the development of sustainable infrastructure in Serbia with a €10 million loan to UniCredit Bank for on-lending to municipalities, utility and private companies, providing municipal services.

The proceeds of the loan will be used to finance the building of new and modernisation of essential municipal infrastructure in smaller municipalities which traditionally have limited capacity to prepare sustainable infrastructure projects and are facing difficulties accessing commercial bank funding in Serbia.

The MIDF is a pioneering €100 million investment fund, launched by the EBRD and KfW with a generous contribution from the governments of Germany and Switzerland and Austria, aimed at stimulating the growth of the municipal lending market and achieve long term sustainability in municipal services in the Western Balkans.

In addition, technical assistance funding is provided by the governments of Austria and Switzerland to support project preparation and implementation and capacity building of the municipal borrowers.

UniCredit Bank is the third-largest commercial bank in Serbia with a broad national branch network and wide range of customer services.

“We are proud to announce today this great opportunity for the development of the 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 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 Serbia and provide the necessary support to this end” said Dr. Kirk Mildner, Member of the Board of Directors of the MIDF.

“We highly appreciate the newly established cooperation with MIDF” said Mr Claudio Cesario, President of Management Board of UniCredit Bank Serbia, “It is a welcomed source of financing for urgently needed infrastructure investments in Serbia coupled with substantial technical assistance to the final borrowers. As such, the financing package gives an additional advantage to the clients beyond the favourable interest rates. Our bank already proved itself as long-term partner in this country which supports the economic development in many different ways.”

MIDF has been designed for the Western Balkans, and within this group the Fund’s strategy will be to focus on Albania, Bosnia and Herzegovina, Kosovo, FYR Macedonia, Montenegro and Serbia in accordance with local needs.