

 Early Warning System

EBRD-55270

FIF - WB Youth in Business - Alter Modus II



## Quick Facts

Countries	Montenegro
Financial Institutions	European Bank for Reconstruction and Development (EBRD)
Status	Approved
Bank Risk Rating	U
Voting Date	2024-06-25
Borrower	MIKROKREDITNA FINANSIJSKA INSTITUCIJA ALTER MODUS DOO
Sectors	Finance
Investment Type(s)	Loan
Investment Amount (USD)	\$ 2.14 million
Project Cost (USD)	\$ 2.14 million



### Project Description

According to the Bank's website, the project consists of a senior unsecured loan of up to EUR2.0 million to be provided in two equal tranches (EUR 1.0 million each) under EBRD Western Balkans Youth in Business Programme ("WB YiBP").

The loan proceeds will be used for on-lending to eligible micro, small and medium-sized enterprises ("MSMEs") whose overall operational management responsibility or majority ownership is held by a person (or persons) under the age of 35 ("Youth MSMEs") in Montenegro in accordance with the Policy Statement.



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## Early Warning System Project Analysis

Categorised FI (ESP 2019).



## Investment Description

- European Bank for Reconstruction and Development (EBRD)

A senior unsecured loan of up to €2.0 million to be provided in two equal tranches (EUR 1.0 million each) under EBRD Western Balkans Youth in Business Programme ("WB YiBP").

Non-TC Funds: EUR 200,000 of non-TC funds will be provided by the EBRD Shareholders Special Fund in the form of First Loss Risk Cover of up to 10% of the Loan, with a cap of 70% for any single sub-loan.

TC Funds: The YiB TC Funds will be used for the payment of certain costs such as (i) a technical cooperation package for partner financial institutions which will include baseline assessment, capacity building, product development, marketing support, and overall project management and (ii) advisory service component for Youth MSMEs offered under EBRD's Advice for Small Business Programme with the aim to strengthen entrepreneurial skills and mindset of eligible sub-borrowers.

## Financial Intermediary

Financial Intermediary: A commercial bank or financial institution that receives funds from a development bank. A financial intermediary then lends these funds to their clients (private actors) in the form of loans, bonds, guarantees and equity shares. Financial intermediaries include insurance, pension and equity funds. The direct financial relationship is between the development bank and the financial intermediary.

- [Alter Modus DOO](#) (Financial Intermediary)



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### Private Actors Description

MIKROKREDITNA FINANSIJSKA INSTITUCIJA ALTER MODUS DOO - Alter Modus ("AM") is the leading MFI in Montenegro, holding a 68.8% market share by total assets (as of YE 2023). It provides MSME and retail loans to its ca. 20,000 clients through 20 branches and outlets across the country.



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## Contact Information

### COMPANY CONTACT INFORMATION

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### ACCESS TO INFORMATION

You can request information by emailing: [accessinfo@ebrd.com](mailto:accessinfo@ebrd.com) or by using this electronic form:

<https://www.ebrd.com/eform/information-request>

### ACCOUNTABILITY MECHANISM OF EBRD

The Project Complaint Mechanism (PCM) is the independent complaint mechanism and fact-finding body for people who have been or are likely to be adversely affected by an European Bank for Reconstruction and Development (EBRD)-financed project. If you submit a complaint to the PCM, it may assess compliance with EBRD's own policies and procedures to prevent harm to the environment or communities or it may assist you in resolving the problem that led to the complaint through a dialogue with those implementing the project. Additionally, the PCM has the authority to recommend a project be suspended in the event that harm is imminent.

You can contact the PCM at: [pcm@ebrd.com](mailto:pcm@ebrd.com) or you can submit a complaint online using an online form at:

[http://www.ebrd.com/eform/pcm/complaint\\_form?language=en](http://www.ebrd.com/eform/pcm/complaint_form?language=en)

You can learn more about the PCM and how to file a complaint at: <http://www.ebrd.com/work-with-us/project-finance/project-complaint-mechanism.html>



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### Bank Documents

- [Translation: FIF - WB Youth in Business - Alter Modus II \(Montenegrin\)](#)