



USAID
FROM THE AMERICAN PEOPLE

MONTENEGRO

SUCCESS STORY

Enterprising Loans Spur Growth

Bank helps strengthen Montenegro's private sector

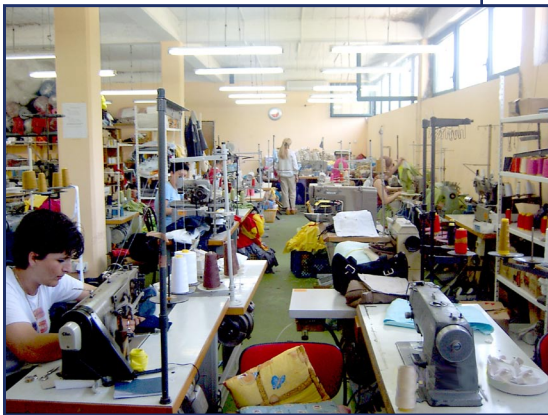


Photo: OB/Mali Medo

Mali Medo's production facility in Podgorica, Montenegro was built with loans from the USAID-sponsored Opportunity Bank.

Since its inception, Opportunity Bank has created nearly 16,500 jobs in Montenegro.

Telling Our Story
U.S. Agency for International Development
Washington, DC 20523-1000
<http://stories.usaid.gov>

Mali Medo is Montenegro's only children's clothing manufacturer. What began as a husband-and-wife startup has grown into something much bigger — from a domestic operation employing six people to a regional exporter with 47 employees.

The company is a prime example of Montenegro's most vibrant business sector: small and medium enterprises. Encouraging their start-up and growth is critical to stimulating the economy and employment. But all too often, entrepreneurs have no access to the money they need to expand their ventures.

This is where groups like Opportunity Bank Montenegro come to play: they fill in the wide gap between traditional lenders and small entrepreneurs. USAID helped found Opportunity Bank in 2002 to stimulate job creation. Since then, the bank has served nearly 80,000 clients, disbursing more than \$88 million in loans and creating nearly 16,500 jobs.

Opportunity Bank focuses on building strong partnerships with local entrepreneurs, such as the Medojevics, the husband-and-wife team that started Mali Medo. The company repaid its first loan of 5,000 euros on time, paving the way to a second loan of 30,000 euros. After successfully closing that loan, Mali Medo received a third loan of 100,000 euros. This enabled Mali Medo to expand production capacity and market penetration. The once-domestic clothing supplier has started exporting to Bosnia, and negotiations to export to neighboring Croatia are underway.

Luckily for the Medojevics and other small entrepreneurs, Opportunity Bank is here to stay. As three years of USAID support come to an end, the bank is now standing on its own and even plans to expand operations. With 10 branches throughout Montenegro, the bank increasingly attracts interest from other financial institutions that want to expand credit lines in Montenegro. In fact, the bank is finalizing details for a 6 million euro line of credit that will help it expand even more small and medium enterprises in Montenegro. Its work with local start-up businesses like Mali Medo will continue to generate jobs and economic growth — both important returns on USAID's investment in Montenegro.