

# Dominican Republic: The EIB and ADOPEM increase microfinance support for COVID-19 impacted companies



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- The European Investment Bank will provide the equivalent of EUR 7 million in Dominican pesos (approx. DOP 480 million) for microenterprises in the Dominican Republic impacted by the COVID-19 crisis
- The loan will help women to access essential financing for their businesses
- The loan is part of the EIB's response within Team Europe to the COVID-19 pandemic outside the EU.

The European Investment Bank (EIB) and Banco de Ahorro y Crédito ADOPEM have signed a loan in Dominican pesos worth EUR 7 million (approx. DOP 480 million) to support micro-entrepreneurs. The loan will help to address the working capital and investment needs of businesses affected by the COVID-19 breakout in the Dominican Republic, targeting women and very low-income borrowers in the country.

The loan is part of the EIB's contribution to the [Team Europe](#) response to the [COVID-19 crisis](#) and will support gender equality and female entrepreneurship in Dominican Republic, whilst qualifying for the [2X Challenge](#). The 2X Challenge is a leading initiative deploying and mobilizing capital to empower women and enhance their economic participation in emerging markets. The EIB loan to ADOPEM will support 27,000 loans, of which 18,000 will be provided to

women borrowers.

**EIB Vice-President, Ricardo Mourinho Félix**, responsible for Latin America said: *“Boosting support for small businesses helps to stimulate private sector development, productivity and job creation. We are delighted to partner with ADOPEM to help micro-enterprises affected by the COVID-19 pandemic, while contributing to promoting gender equality by improving access to credit for businesses run by women in the Dominican Republic. As part of our Team Europe efforts, the EIB is committed to continue working to boost the inclusive reactivation of the economy in the Dominican Republic and across the Latin-American and Caribbean region”.*

**Mercedes Canalda de Beras-Goico, Executive President** of ADOPEM said: *“This new agreement has a scope of implementation throughout the national geography, to support the various parts of rural and urban areas in various sectors”.*

### **EIB support for microfinance in the Dominican Republic**

The EIB has been active in the Dominican Republic microfinance sector since 1992 and is

now recognised as a leading institution among all International Financial Institutions supporting the sector. The Bank granted several loans to several microfinance institutions: Banco Ademi, ADOPEM, Banfondesa, Fondesa, FUNDAPEC and FDD.

The EIB has also contributed to the capital of these institutions during their transition phases from NGO status to regulated savings & credit banks.

### **EIB long-term relationship with ADOPEM**

Starting as an NGO in 1982 to finance female borrowers women, ADOPEM has grown to become a commercial bank dedicated to microfinance for the unbanked or financially underserved people. ADOPEM's social mission to promote financial inclusion among disadvantaged communities is underpinned by the very small loan sizes. 70% of its clients do not have credit history and ADOPEM is their first entry point into the formal financial system.

The EIB has supported ADOPEM since 2006 through several loans, as well as an equity investment. This partnership allowed ADOPEM to grow and attract international investors with social objectives, most prominently the [BBVA Microfinance Foundation](#) – the current majority shareholder and leading investor for financial inclusion in Latin America.

### **The EIB in Latin America**

The EIB, the Bank of the European Union, is the largest international financial institution in the world and approximately 10% of its lending and financing target is to the benefit of partners outside of the European Union.

The EIB provides economic support for projects in Latin America by facilitating long-term investment with favourable conditions and by providing

the technical support needed to ensure that these projects deliver positive social, economic and environmental results. Since the EIB began operating in Latin America in 1993, it has provided total financing of EUR 10.4bn to support 139 projects in 14 countries in the region.