

# 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.

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## [ECDC releases operational guidance on HIV pre-exposure prophylaxis in the EU/EEA and the UK](#)



Reaching these targets requires a sustained focus on HIV prevention, including new interventions and approaches. New approaches include the implementation of pre-exposure prophylaxis (PrEP) and clear minimum standards for standardised delivery and monitoring of PrEP across the EU/EEA.

### **ECDC guidance on implementation, standards, and monitoring of PrEP**

The European Centre for Disease Prevention and Control (ECDC) has developed an [operational guidance](#) to support countries in their efforts and to harmonise the overall approach taken to PrEP implementation in the region. This guidance provides practical recommendations to inform the development and implementation of PrEP programmes at national and sub-national levels throughout the EU/EEA.

The guidance lays out key considerations for PrEP implementation and provides an overview of key markers of readiness to deliver larger-scale PrEP programmes. It also provides guidance on how to establish support from senior and community stakeholders and prioritise PrEP within national health agendas.

### **Core principles of effective PrEP programmes**

The guidance is structured around 10 core principles of effective PrEP programmes, categorised as being relevant for preparatory (before a programme

exists), new (under 24 months) and established (24 months and above) phases of PrEP implementation:

1. Early and ongoing stakeholder engagement
2. Implementation within a stigma-free environment
3. Population wide access, based on need
4. PrEP embedded in combination STI and HIV prevention, and sexual health programmes
5. Proactive approach to raising PrEP awareness and demand creation
6. Compliance with clinical and public health guidelines
7. Use of standardised eligibility criteria to assess need
8. Linkage into care
9. Continuation of PrEP
10. Monitoring and evaluation

## Background information

PrEP for HIV is the use of antiretroviral medication, taken to prevent the acquisition of HIV infection.

In 2015, ECDC recommended that EU/EEA Member States should consider integrating PrEP into their existing HIV prevention package for those *most at-risk* of HIV infection, starting with men who have sex with men. This was followed by the WHO recommendations that PrEP should be offered as an additional prevention option to all people at *substantial risk of HIV infection* as part of combination prevention approaches.

To support Member States in developing and delivering PrEP programmes, the following documents are available as accompaniments to the guidance:

- **The Case for PrEP** – considerations for HIV PrEP programmes. ECDC has developed a PESTLE framework to support implementation of PrEP in EU/EEA Member States.
  - **Country case studies** – which will be published next week from Belgium, Croatia, Czechia, England, Finland, France, Germany, Greece, Ireland, Italy, Malta, Netherlands, Poland, Scotland, Spain, Sweden and Switzerland, outlining different service delivery models used, the advantages and limitations of these and reflections from the clinical, public health and community representatives responsible for the programme.
  - **An example of a standardised monitoring tool**, providing key monitoring indicators developed through three rounds of consultation with public health, epidemiology, clinical academic and health planning experts from Ireland and the UK.
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## Open hearing on crowdfunding consultation paper

The European Securities and Markets Authority (ESMA), the EU's securities markets regulator, will hold an open hearing for its [Consultation Paper](#) on draft Technical Standards under the European Crowdfunding Service Providers for Business Regulation (ECSPR) on 12 April 2021.

The consultation paper seeks the views of interested parties on 7 draft Regulatory Technical Standards (RTS) and 2 Implementing Technical Standards (ITS) under the ECSPR. The consultation period will end on 28 May 2021.

This open hearing will primarily be of interest to crowdfunding service providers within the meaning of point (e) of Article 2(1) of the ECSPR, competent authorities and other entities that are subject to the ECSPR, trade associations and industry bodies, sophisticated and non-sophisticated investors, consumer associations, as well as any market participant engaged in the provision of crowdfunding services.

The indicative agenda for the hearing will follow the structure of the Consultation Paper and discuss the draft RTSs and ITSs according to the following headings:

1. Complaint handling
2. Conflicts of interest
3. Business continuity plan
4. Application for authorisation
5. Information to client on default rate of projects
6. Entry knowledge test and simulation of the ability to bear loss
7. Key investment information sheet
8. Reporting by crowdfunding service providers to NCAs (and NCAs to ESMA)
9. Publication of national provisions concerning marketing requirements

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## Ukraine: EIB and Ukreximbank enhance access to local currency funding for SMEs thanks to EU support





- €20 million is being made available in local currency to enhance access to affordable finance for SMEs in Ukraine.
- The operation is backed by the European Union and comes under the Team Europe initiative aiming to provide a sustainable response to the coronavirus crisis.

The European Investment Bank (EIB) has signed an agreement with the State Export-Import Bank of Ukraine ([Ukreximbank](#)) to increase the funding limit of the Deep and Comprehensive Free Trade Area (DCFTA) Support Facility project to €280 million. Additional financing, namely a €20 million loan, will be provided via a parallel cross-currency swap in Ukrainian hryvnia (UAH) and will be on-lent to local private businesses with a focus on small and medium-sized enterprises (SMEs).

Pricing conditions are being enhanced thanks to the European Union's contribution. The operation is part of Team Europe's overall response to the COVID-19 crisis, which aims to support the sustainable social and economic recovery of the region.

Furthermore, the operation has been made possible by the EIB's membership of TCX – the Currency Exchange Fund – which provides long-term local currency and interest rate derivatives in emerging market currencies to its investors and their clients.

**Head of the EIB Resident Representation for Ukraine Jean-Erik de Zagon said:**

*"Improved access to affordable finance in local currency is one of our main priorities, especially at a time when SMEs need strong support to overcome the challenges and the liquidity shortfall created by the COVID-19 pandemic. We are thankful for the European Union's support and happy to be further extending our partnership with Ukreximbank, our long-standing partner in the country."*

**Head of Cooperation of the EU Delegation to Ukraine Frederik Coene said:**

*"More than ever during these challenging times, businesses need access to finance and affordable credit from banks. I am pleased to see that the EIB is providing a support package for SMEs and mid-caps in Ukraine as part of the European Union's overall Team Europe relief effort. This assistance comes at a time when SMEs need strong support to overcome the challenges created by the COVID-19 pandemic."*

**Chairman of the Management Board of Ukreximbank Ievgen Metsger said:**

*“Ukreximbank has a clear goal to direct additional financing to meet the specific and urgent needs of Ukrainian companies. It is very encouraging to see clients develop their businesses, start new areas of activity, modernise production, implement energy-efficient projects or enter new markets alongside the bank.”*

#### **About the EIB in Ukraine:**

The [EIB has worked with Ukraine](#) since 2007. The EU bank is committed to supporting Ukraine and helping to create the conditions necessary to achieve economic stability. Ukraine has been the main recipient country of EIB support in the Eastern Neighbourhood, accounting for more than 60% of EIB lending activity in this region. As one of the key international financial institutions (IFIs) in Ukraine, the EIB focuses on social and economic infrastructure, transport and connectivity, local private sector development, energy efficiency, climate action, and innovation. The Bank supports the private sector primarily through financial intermediation, and also by providing direct loans to selected large companies. Notably, the EIB was the first IFI to make long-term funding in local currency available to a local bank in support of Ukrainian SMEs.

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## **Council approves greater corporate transparency for big multinationals**



The EU is taking measures to enhance corporate transparency of big multinational companies. Member states' ambassadors today mandated the Portuguese presidency to engage in negotiations with the European Parliament for the swift adoption of the proposed directive on the disclosure of income tax information by certain undertakings and branches, commonly referred to as the public country-by-country reporting (CBCR) directive.

The directive requires multinational enterprises or standalone undertakings with a total consolidated revenue of more than €750 million in each of the last two consecutive financial years, whether headquartered in the EU or outside, to disclose publicly in a specific report the income tax they pay in each member state, together with other relevant tax-related information.

Banks are exempted from the present directive as they are obliged to disclose similar information under another directive.

In order to avoid disproportionate administrative burdens on the companies involved and to limit the disclosed information to what is absolutely necessary to enable effective public scrutiny, the directive provides for an complete and final list of information to be disclosed.

The reporting will have to take place within 12 months from the date of the balance sheet of the financial year in question. The directive sets out the conditions under which a company may obtain the deferral of such disclosure for a maximum of six years.

It also stipulates who bears the actual responsibility for ensuring compliance with the reporting obligation.

Member states will have two years to transpose the directive into national law.

## **Next steps**

On the basis of the agreed negotiating mandate, the Portuguese presidency will explore with the European Parliament the possibility of an agreement for the swift adoption of the directive at second reading ("early second reading agreement").

## **Background**

The proposed directive, tabled in April 2016, is part of the Commission action plan on a fairer corporate tax system.

The European Parliament adopted its position at first reading on 27 March 2019.