

Dominican Republic: EIB and Ademi provide USD 10m to micro-borrowers



PUBLISHED DEC 16, 2020
BY [EUROPA](#)

The European Investment Bank (EIB) is providing a EUR 10 million loan Ademi to help the microfinance lender to increase its lending to microenterprises in the Dominican Republic.

The EIB loan will help Ademi to strengthen its funding base with long-term resources in local currency, which is currently not available in the local market. It is expected that the loan will enable Ademi to provide 28,000 loans to small business, including 14,000 loans to women whilst sustaining around 12,000 jobs. In addition to the loan, Ademi will continue benefitting from the technical assistance sponsored by the EIB, which will be re-focused to support the response to the crisis (e.g. business continuity and liquidity management).

The microfinance sector has been severely impacted by the economic consequences of the COVID crisis in the Dominican Republic. The EIB places a special emphasis on private sector development, promoting investment, and economic and social inclusion for micro-enterprises. The bank has mobilised substantial resources to provide financial support to micro-enterprises, fulfilling its objective of supporting private sector development helping to create value, jobs in the region.

Commenting on the new loan, EIB Vice-President, Ricardo Mourinho Félix, responsible for the Caribbean said: “Enhancing access to finance to small business owners is crucial to reduce poverty and increase living standards. This new EIB loan will help unlock economic opportunities, create jobs and improve social development in the Dominican Republic. Ademi is one of the EIB’s long-term microfinance partners in the country and we are glad to reinforce our cooperation to support micro enterprises in a difficult context such as the one we are in today, when these small businesses are among the hardest hit by the Covid-19 pandemic and need our help more than ever.”

Ademi President, Guillermo Rondón said: “With this agreement, we reaffirm our commitment to serving the most vulnerable sectors, which generate a great social impact because they contribute to the progress and quality of life of families and to the commercial development of the country. We are pioneers in granting these types of loans to entrepreneurs and owners of micro and small businesses, always considering equity in terms of gender”.

The loan was signed under the ACP Microfinance Facility - a EUR 40 million lending facility which supports microfinance in African, Caribbean and Pacific countries, targeting poverty reduction, gender equality and employment.

50% of the loans for micro-entrepreneurs will be provided to female business owners as part of the 2X challenge,

Starting as an NGO in 1982 operating in marginalized neighbourhoods in Santo Domingo, Ademi has grown to become one of the largest providers of financial services to MSMEs in the country. Ademi was the first NGO in the country to become a commercial bank in 1997. The EIB has been collaborating with Ademi for almost 30 years and has signed 10 loan agreements with the microfinance provider.

The EIB is the largest multilateral public bank in the world and roughly 10% of its lending targets investments outside of the European Union.

The European Investment Bank is the world's largest international public bank and has supported development and economic activity in the Caribbean with loans and equity investment worth EUR 2 billion since its first operation in the region.

In the Dominican Republic, the EIB has provided a total of EUR 409 million to projects, including in the energy, small business and transport sectors.

Banco Ademi, which began operations in 1983 in Santo Domingo's marginalized neighborhoods as an NGO, has become one of the largest providers of financial services for micro, small and medium-sized enterprises in the country. Banco Ademi was the first NGO in the country to become a commercial bank in

1997. Since May 2013, the Bank has been authorized to offer all the products and services typical of multi-service banks in the Dominican Republic. The EIB has collaborated with Banco Ademi for almost 30 years and has signed 10 loan agreements with this microfinance institution.

Press release distributed by Media Pigeon on behalf of Europa, on Dec 16, 2020. For more information subscribe and [follow](#) us.

Press Contacts

1. **Eric Mamer**

Chief Spokesperson

eric.mamer@ec.europa.eu

+32 2 299 40 73

2. **Dana Spinant**

Deputy Chief Spokesperson

dana.spinant@ec.europa.eu

+32 2 299 01 50

3. **Elisaveta Dimitrova**

Head of Unit

elisaveta.dimitrova@ec.europa.eu

+32 2 295 88 38

4. **Johannes Bahrke**

Coordinating Spokesperson

johannes.bahrke@ec.europa.eu

+32 2 295 86 15

5. **Vivian Loonela**

Coordinating Spokesperson

vivian.loonela@ec.europa.eu

+32 2 296 67 12

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