

## Haitian small companies and water get specialist European support

As parts of its overall commitment in the Caribbean the European Investment Bank, the long-term lending institution of the European Union, has agreed to continue its engagement in Haiti with support for number of finance, water and health projects. These were launched during a visit to by European Investment Bank specialists responsible for lending operations in the region.

“Financial support for private sector growth in Haiti and passing on experience to ensure provision of clean water and sewage in Port au Prince are two ways in which the European Investment Bank can help. Working closely with experienced local institutions will improve living conditions and encourage new opportunities in the country. The European Investment Bank is committed to supporting ongoing reconstruction and development of Haiti.” said Plutarchos Sakellaris, European Investment Bank Vice President.

“This extra investment made by the European Union in Haiti proves again the EU's commitment to support the reconstruction and development of the country”, said Jeroen Witkamp, Head of the Economic and Governance department of the European Union delegation in Haiti. “This involvement of the European investment banks in Haiti also points out that the EU remains a reliable and sustainable partner of Haiti committed to use the variety of instruments it has at his disposal to promote investment opportunities in the country”, said Jeroen Witkamp, European Union Delegation to Haiti.

“Our highly satisfactory relationship with the EIB goes back to 1995. This latest EUR 5 million loan will enable us to support a greater number of SMEs, stepping up our activity in a difficult niche that is nonetheless key to the country's economic development. The technical assistance accompanying the loan will undoubtedly help to build our capacity and improve the formation of the small businesses that we finance”, said Thony Moïse, Deputy Managing Director of Société Financière Haïtienne de Développement.

“Thanks to this loan, ACME will be able to press ahead with its task of supporting micro businesses and expand its service offer throughout the country. The terms of the loan will enable us to reduce our lending rates to customers”, said Sinior Raymond, Managing Director of ACME.

The European Investment Bank will support a EUR 5m dedicated small business funding programme managed locally by Société Haïtienne de Développement S.A. (SOFIHDES) that will help private sector growth in Haiti. This will be complimented by financial assistance for smaller companies under a EUR 3m lending scheme with Action pour la Cooperation avec la Microfinance (ACME). These two institutions have considerable experience in working with the private sector in Haiti. SOFIHDES serves 120 small businesses and ACME lends to 25,000 borrowers across the country.

The European Investment Bank's lending operations with the two financial local partners will be in local currency to reduce exchange rate risk for the local institutions and include technical assistance to ensure best practice and most effective use of the funds. This will include training on SME funding, credit risk management and implementation of money-laundering checks. This assistance will take account of the considerable social and specific economic challenges currently facing Haiti and will focus on contributing to overall development.

Long term improvement of the water sector around Port au Prince will also benefit from assistance provided by the European Investment Bank. Water and sanitation facilities in Haiti suffer from chronic underinvestment and inadequate maintenance with additional problems caused by the January 2010 earthquake. The European Investment Bank will fund feasibility studies for expansion and upgrading of the clean water distribution and sewage network in the Haut de Ville district of Port au Prince, one of the worst served areas of the capital city.

The European Investment Bank team will also visit a hospital run by Médecins sans Frontières in Tabarre, partly funded by a donation fro the Bank immediately following the earthquake.

## **Notes for Editors**

The European Investment Bank is the long-term lending institution of the European Union created by the Treaty of Rome in 1958. Its task is to contribute towards the integration and balanced development as well as the economic and social cohesion of the EU Member States by making long-term finance available for sound investment. Besides supporting projects in the EU, the EIB's main lending priorities include financing investments in future Member States and EU partner countries.

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