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Swiss financing granted to the Microlending Programme



On June 21, the Ministry of Finance and Switzerland signed a project agreement on implementation of the project “Microlending programme”. Within the framework of the programme the Mortgage and Land Bank of Latvia (Mortgage Bank) will grant 8.3 million Swiss francs in microloans to entrepreneurs. The project agreement was signed by the Ambassador of the Swiss Confederation to Latvia Gabriela Nützi Sulpizio and the Deputy State Secretary of the Ministry of Finance Aleksandrs Antonovs.

“Launching of this programme will increase considerably chances of micro enterprises to receive microloans. Taking into account that microloans are assessed usually with higher risk, micro enterprises have difficulties to receive financing for implementation or development their ideas. The financing granted within the Swiss cooperation programme is very important because it will increase considerably the amount of financing available for microlending,” emphasised the Deputy State Secretary of the Ministry of Finance Aleksandrs Antonovs after signing the project agreement.

The project objective is to improve the access of micro enterprises and self-employed persons to microloans for business start-up or development, thus facilitating employment and development of Latvian economy. Total financing planned for microloans is 8.3 million Swiss francs, including 1.5 million Swiss francs co-financing of the Mortgage Bank. It is planned that implementation of the project will start on July 1 and micro enterprises will be able to apply for loans starting from August this year. Programme provisions still have to be approved by the Cabinet of Ministers.

Micro enterprises and persons willing to start their business will be able to apply for loans up to 18 868 Swiss francs (10 000 lats). Microloans will be granted for the implementation of business plans – both for investments and working capital. The latest information about the programme is available on the web site of the Mortgage Bank www.hipo.lv and web site of the Latvian-Swiss cooperation programme www.swiss-contribution.lv

Swiss programme financing in total amount of 56,88 million Swiss francs is available to Latvia from 2007 till 2012; however projects can be implemented till 2017. In total it is planned to implement ten projects with the Swiss financial support, and with the signing of the project agreement for implementation of microlending programme all projects are started.