



## USAID Loans Make Business Plans a Reality

Gheorghe and Silvia Codau were among the many professionals left unemployed after the 1989 Revolution in Romania. Trained respectively as an engineer and an accountant, they decided that the best way to succeed in the new economy was to start over as entrepreneurs in their native city of Timisoara.

In 1992, Gheorghe and Silvia opened a small exterminating company called S.C. Casiopeea S.R.L. As Gheorghe says with a wink, "We realized that there would always be bugs. Exterminators are like undertakers, there's always work for them to do."

Casiopeea was financed solely through the owner's capital for seven years. Operations were therefore restricted by the limited funds the owners could invest each year. In Romania, there are few banking resources for small- and medium-sized businesses or for individuals in need of small loans. In 1999, Gheorghe approached CHF Romania with his business plan after being turned away from traditional banks.

After studying the Codaus' business plan, CHF Romania approved a small loan for Gheorghe and his wife to purchase a company vehicle, with the vehicle itself as collateral for the loan. Since the initial loan, Gheorghe and Silvia have requested additional loans to expand the business by modernizing their equipment, renovating their office building, and purchasing additional vehicles.



Photo: CHF/staff files

A Casiopeea exterminator cleaning the Bega canal near Timisoara.

USAID funding of CHF is part of its strategy to accelerate private sector growth by supporting a market-driven environment. This strategy concentrates on obtaining results in five functional areas spanning across financial markets - small and medium-sized enterprise development, energy, environment, agriculture, and information technology.

With USAID support, the business environment in Romania is being transformed into a supportive atmosphere for growth. CHF Romania, a branch of CHF International, operates a credit program for micro, small- and medium-sized enterprises, family associations, housing associations, and individuals throughout the country. Active in nineteen counties across Romania, these programs promote investment, sustained business growth, and employment.

*"CHF was the only institution willing to recognize the worth of a good business plan. Thanks to them, we made our own success."*

- Gheorghe Codau, co-owner of S.C. Casiopeea S.R.L.

In 2001, Casiopeea won a publicly bid contract with the Timisoara city government for extermination services for all city parks and canals. They also obtained contracts with the Arad city government and now have more than 400 clients. The company prides itself on caring for the health of its thirteen employees and looking after the natural environment by using biodegradable products. The Codaus expect Casiopeea to attain a 2004 profit of seven to ten billion lei -- at least \$215,000.

Success Story

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