

SOCIAL ENTREPRENEURSHIP PROGRAM

PROJECT SYNTHESIS

1. **Country:** El Salvador
2. **Project Number:** ES-S1018
3. **Project Name:** “Expansion of Rural and Periurban Credit for Salvadoran Women”
4. **Executing Agency/Borrower:** Asociación para la Organización y Educación Empresarial Femenina de El Salvador, OEF.
5. **IDB Unit:** Multilateral Investment Fund (MIF)

6. Amounts Approved

	<u>IDB US\$</u>	<u>LOCAL US\$</u>	<u>Total US\$</u>
Reimbursable Financing	750.000	150.000	900.000
Technical Cooperation:	<u>250.000</u>	<u>156.000</u>	<u>406.000</u>
Total:	1.000.000	306.000	1.306.000

7. Project Objective and Purpose:

The project will allow the expansion of OEF’s loan portfolio giving access to finance to at least 1,400 women, micro and small entrepreneurs in the departments of San Vicente, Usulután, Chalatenango, La Libertad and Cabins through the strengthening of the credit program developed by OEF (Credimaná).

8. Project components:

- **Reimbursable Finance:** The purpose of this component is to strengthen the supply of financial services to microentrepreneurs in the area of influence of the project. This funding will increase OEF’s loan portfolio by financing productive activities of their clients helping them to achieve sustainability and improve their income of the target population, mainly women.
- **Technical Cooperation:** With the resources of the technical cooperation grant, OEF seeks to strengthen its credit program, Credimaná, and improve the business management and marketing technical capacities of its customers through specific training events. In this particular sense, this technical cooperation will be focused on: (i) implementation of a financial credit rating of the program; (ii) strengthening the risk management of Credimaná program and (iii) promoting Credimaná program developing a new financial product and education to its clients. This component will also finance a series of activities related to the coordination and monitoring of project activities, including evaluations and audits.

9. Project beneficiaries:

The project beneficiaries are low-income people, living in poverty and extreme poverty conditions, unemployed and / or underemployed in informal activities that generate income below US \$ 100 per month; have no access to financial services and very limited access to other services such as education and health. About 20% of these beneficiaries receive government subsidies and about 30% are subsistence farmers, producing especially grains, occasionally selling any surplus production.

10. Expected results:

By the end of the three years of the project (TC), is estimated that Credimaná will have achieved the following: (a) at least 1,243 new active customers, (b) an active portfolio of at least US \$ 6.6 million, (c) at least 200 people attending training and technical assistance events and (d) at least 240 participants to the Business Education program. It is also expected that 75% of the portfolio are women that are developing their activities in rural areas.