



PRESS RELEASE

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**“MORE THAN 3,000 SMES OWNERS HAVE ACCESS TO FORMAL FINANCIAL SERVICES:
USAID PRESENTS A SUCCESSFUL EXPERIENCE IN THE FINANCIAL SERVICES
SECTOR”**

SAN SALVADOR- The U.S. Agency for International Development (USAID) through its Promoting Economic Opportunities Program presented today the documentary entitled: “Completing the Circle”. The documentary shows the support that USAID has provided to El Salvador’s financial services sector and shows a successful example where more than 3,000 Micro, Small and Medium Sized Enterprises (MSMES’s) now have access to formal financial services.

“In 1986 FUSADES (Salvadoran Economic and Social Development Foundation) approaches us to open a window for small business owners that did not have access to formal bank credit. That is how PROPEMI (Micro and Small Businesses Promotion Program) began, as an answer to the credit needs of Micro, Small and Medium Sized Salvadoran enterprisers” Deborah Kennedy-Iraheta, former USAID/El Salvador Mission Director expressed on the video.

“From 1986-1993 USAID invested 11 million dollars in FUSADES/PROPEMI to support micro and small business owners to access credit and other financial services. According to FUSADES Executive Director, Alvaro Guatemala, “the development of PROPEMI has been spectacular, because after 21 years with the seed capital of 4.5 million dollars, we were able to grant 300 million dollars in loans”.

The Peace Accords signing reactivated the country in many areas, and the financial services sector was not the exception. USAID continued providing technical assistance to the Micro Sized Enterprise sector. Later, on June 2006, USAID started a new financial services project addressed to the Small and Medium Sized Enterprises (SME’s) with the goal of increasing the financial services for that sector. The Central American Bank (BAC) became one of the nine partners that since then have received technical assistance in various areas, explained Sandra Lorena Duarte, USAID Financial Services Manager.

Today, Salvadoran banking sector know that this segment is the country’s economic motor. As a result, BAC saw in PROPEMI a business opportunity to meet their underserved demand.

“With the support of USAID we bought PROPEMI’s operations, that gave us competitive advantage, and allowed us to facilitate access to formal banking, all services included, to this portfolio of clients, that had grown to 62 million dollars”, Rodrigo Menendez, BAC Enterprises Bank Manager added.

“20 years have passed since PROPEMI was created and we have seen its development, and that of the financial system, too. Now we see how the big banks that used to only give loans to big enterprises, pay attention to the small business owners. This is the way how USAID has completed a circle in El Salvador. The acquisition of PROPEMI by a commercial bank is a clear example”. Lawrence Rubey, Economic Growth Office Director said.

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