



MACRO IMPACT WITH MICRO MONEY

25 YEARS OF SUPPORT TO MICROENTERPRISE



INTER-AMERICAN DEVELOPMENT BANK

MACRO IMPACT WITH MICRO MONEY
25 Years of Support to Microenterprise

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The book’s authors are Elba Luna, sociologist, founder of Grupo de Análisis y Desarrollo Institucional y Social* (GADIS), and consultant to UNDP, the IDB and numerous civil society organizations of Argentina and other countries of Latin American; and María Victoria Sáenz, a business administrator specializing in financial law who currently serves as Microenterprise Specialist in the Inter-American Development Bank’s Micro, Small and Medium Enterprise Division. The following individuals were particularly helpful in this endeavor: the sector specialists responsible for microenterprise affairs in the Bank’s Representative Offices in the countries involved and María Raquel Trigo, administrative and publications assistant in the IDB’s Micro, Small and Medium Enterprise Division.

To celebrate 25 years of uninterrupted support to the microenterprise sector in Latin America and the Caribbean, the IDB has chosen to publish this work, the objective of which is to summarize the principal landmarks in the history of the two programs to which the Bank has mandated such an important undertaking: the Small Projects Program and the Social Entrepreneurship Program. Through these two initiatives, support was provided to incipient organizations that are today play lead roles in the microfinance industry. In addition, funds for institutional strengthening and lending activities were provided to more than 500 entities which, in turn, have provided support to more than 500,000 low-income individuals, including in particular women, indigenous peoples, the handicapped, small producers and microentrepreneurs in general. The book is also, in no small measure, a tribute to the implementers of these projects, as well as to their beneficiaries and all those who have helped the Bank carry out these initiatives.

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PRESENTATION

Lower income population groups in Latin America and the Caribbean have long known that their survival depends on their ability to generate income through small businesses engaged in a wide variety of trade, service and productive activities. For this reason they have constantly sought out ways to take advantage of the limited resources available for undertaking such business ventures.

The Inter-American Development Bank became aware of these needs, and in the late 1970s designed a tool to support the development of entrepreneurial activities by low-income individuals: the Small Projects Program, today known as the Social Entrepreneurship Program.

These programs have financed activities as diverse as the recycling of nonbiodegradable waste; production of honey, organic coffee, seeds and other agricultural products; textile-based crafts and shoe repair; sheep-raising and livestock leasing – reaching thousands of small businesses operating throughout the region. Through a far-reaching network of public and private organizations, both local and international, the Bank has made available financial resources and support services to thousands of microentrepreneurs.

This book presents but a few examples of the many Bank-financed productive activities carried out by the people of the region, and pays tribute to the women and men who, in their efforts to succeed, daily renew their hopes for a better future. In addition, the book pays tribute to the approximately 500 organizations that carry out the productive, microfinance, business and social development projects through which it has been possible to meet the needs of more than a half million microentrepreneurs.

We are proud to have been pioneers in supporting microenterprise development in Latin America and the Caribbean, and we hope to be able to count on the continued support of all those who have accompanied us thus far in this effort.

Enrique V. Iglesias, President
Inter-American Development Bank



**For more than 40 years,
the Inter-American
Development Bank
(IDB) has been the
financial organization
par excellence for the
countries of Latin America
and the Caribbean, as
well as one of the primary
promoters of investments
in the development of the
region's communities.**

WE ARE MORE THAN A BANK

Although initially the Bank emphasized support designed to stimulate the growth of the region's productive sectors and its physical infrastructure, social equity and poverty reduction have always been two of its guiding principles. These principles have led the Bank to continually adapt its strategies and programs to the needs of the process of economic and social development taking place in the region.

In the late 1970s, when the labor market began to undergo a radical transformation and the signs of growing inequality became apparent, the Bank recognized the fundamental importance of microenterprises and local economies to the future development of the region, and began to establish mechanisms that would make it possible to provide direct support to the productive ventures and economic activities of the poorest segments of the population.

Beginning in 1976, the Bank made a few hesitant efforts in this direction when the board of directors earmarked that fiscal year's budget surplus for transfer to a special Technical Cooperation account to support the strengthening of the region's communities and popular cooperatives.¹ In 1978, the IDB launched a new credit mechanism, the Small Projects Program (SPP). This initiative made it possible to carry out loan operations for amounts of up to US\$500,000, accompanied by nonreimbursable technical cooperation operations channeled through public and private for-profit and nonprofit intermediary institutions.

The objective was to facilitate access to credit by individuals or groups who otherwise lacked the means to enter the commercial or development financial market. The document submitted to the Bank's Executive Board of Directors in April 1978 proposing the creation of the Small Projects Program states:

"It is a well-known fact that low-income individuals and communities do not as a rule have access to credit. Eligibility criteria are too strict Experience shows, however, that low-income individuals, particularly those residing in cities but also those in the rural sector, and generally speaking in areas where only a few minimal incentives are present, constitute a renewable human resource, largely capable of generating their own solutions."

With the creation of the SPP, the IDB became the first multilateral development organization to provide loans directly to private nonprofit organizations without a government guarantee. In October 1978, with the approval of a loan and technical cooperation operation to Manos del Uruguay, the Bank launched the SPP, a pioneer instrument in Latin America and the Caribbean to provide support to the microenterprise sector.

¹ IADB, Use of budget savings of 1976

FIGURE 1.
Resources mobilized per year in US\$ thousands

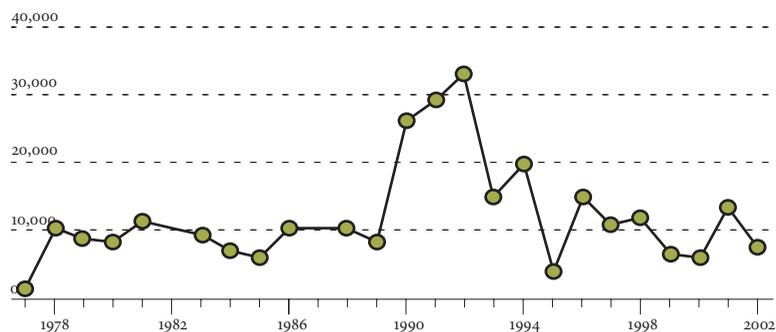


FIGURE 2.
Origin of funds

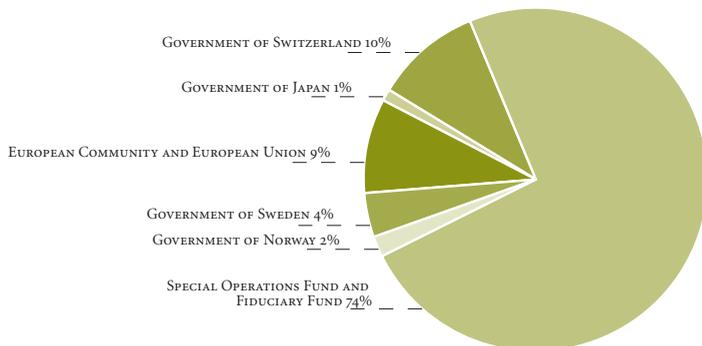
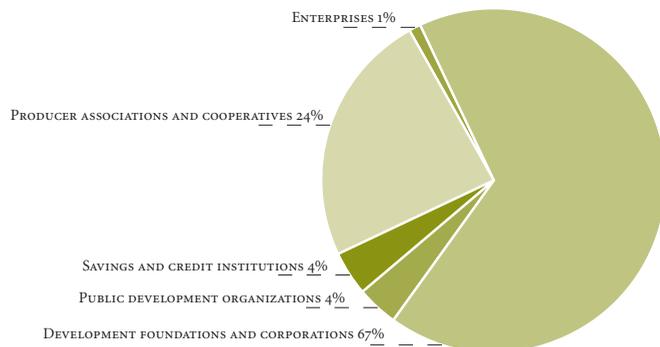


FIGURE 3.
Implementing organizations



In 1998, on the occasion of the SPP's 20th anniversary, the Bank's board of directors approved significant changes that would open the door to the Social Entrepreneurship Program (SEP). The changes were based on ideas that permeated the region's academic and social arenas, as well as on the lessons learned from the 20 years of experience with the SPP. The SEP would focus on the interests and needs of the region's poorest population groups and would be more open in its objectives; the program's design was based on stricter operating criteria, particularly with regard to the abilities of the implementing entities and the conditions that would govern the financing to be provided.

The basic guidelines governing the Social Entrepreneurship Program stipulate that: (i) the activities carried out by microenterprises are extremely heterogeneous in nature and, accordingly, their development requires different types of support (both financial and nonfinancial); (ii) low-income microentrepreneurs also require social services that will enable them to increase both their productivity and their income; (iii) the increased capacity of nonprofit institutions providing services to low-income entrepreneurs and producers ensures a constant flow of reliable services; and (iv) the introduction of private for-profit institutions will improve the market for microfinance

service provision while at the same time making it more competitive.

RESOURCES

Over the first 25 years of the program, 570 operations were financed for a total amount of US\$302 million. A significant number of these operations were approved between 1991 and 1994, as shown in Figure 1. These operations have made it possible to directly reach some 530,000 microentrepreneurs, small producers, campesinos, farmers and artisans in the farthest reaches of Latin America and the Caribbean.

The Bank's board of directors initially allotted US\$5,000,000² to the Small Projects Program, to be charged to the Fund for Special Operations (FSO) and the Social Progress Trust Fund (SPT).³ These resources increased over 25 years to over US\$224 million, or 75 percent of the total funds invested.

FINANCIAL PARTNERS

Encouraged by the immediate successful results of the SPP, the Bank launched an initiative in the early 1980s to mobilize funds from other sources. It took advantage of the interest expressed by a number of donors in helping to strengthen the local economies of relatively less developed countries and sought financial

partners for the program among these donors. This led to the signing of a series of special agreements with the governments of Norway, Switzerland, Sweden, Japan, the European Union and, more recently, Italy. Through these agreements the countries have provided resources to the program in accordance with its overall guidelines and conditions.

From the outset, the SPP paid heed to the Bank's policy of mobilizing internal resources through local counterparts, since external financing is merely a complement to the effort that countries must put forth to bring about their own development. In its first 25 years, the program mobilized over US\$16 million from communities, implementing organizations and beneficiaries. These resources, added to the US\$302 million contributed by the Bank, total US\$318 million channeled toward the alleviation of poverty and the generation of business opportunities for the less favored members of the population. This also means that 5.2 percent of project financing has originated in local savings resources of communities and implementing organizations.

LOCAL IMPLEMENTERS

One of the major innovations of the SPP was the decision to channel financing directly through local

intermediary organizations and not require sovereign guarantees for the operations. To ensure project success, local implementers receive assistance in the form of complementary technical cooperation operations aimed at strengthening their institutional capacities.

Although the program defined both for-profit and nonprofit public and private institutions as eligible intermediaries, more than 90 percent of all operations have been channeled through private nonprofit entities. These implementing organizations include: (i) nongovernmental development foundations and corporations; (ii) producer associations and cooperatives; (iii) savings and loan institutions; (iv) public development organizations; and (v) private businesses.

Development foundations and corporations

Some 67 percent of the SPP's operations have been carried out by nongovernmental organizations (NGOs) engaged in development activities. Committed to promoting the public interest, empowering excluded sectors and promoting development activities, these institutions can be found throughout Latin America, even in the most remote and inhospitable areas. Many of these NGOs grew out of the social activities of the Catholic Church and

added support of productive activities as one more social service in the range of activities they carried out to benefit low-income groups. As a rule, these NGOs serve poor population groups that carry out rudimentary productive activities as a means to secure their livelihood. They have an in-depth knowledge of the context in which they operate, know how to reach out to the poorest areas, and base their work on a foundation of mutual trust with the beneficiaries, which in many cases has successfully offset the lack of financial technology.

In the beginning, the loan portfolios of these NGOs were small, and they also offered technical assistance and training along with their traditional social services. Over the years, some of these organizations have abandoned their original profiles and transitioned toward specializing in the provision of financial services, which has led to the creation of new microfinance institutions.

The SPP also provided support to a new type of developmental NGO specializing in microfinance, which appeared in the late 1980s. In many cases, Bank support was a decisive factor in the creation of these new NGOs, which viewed the microenterprise sector as an opportunity to combine their social mission with activities aimed at promoting development. As contemporaries of the adjustment

² IDB, Program for Small Social Projects, Memorandum to the Executive Board of Directors, Washington, April 1978 (GN-1238). Resolution DE 85/78.

³ The Special Operations Fund consists of contributions from member countries to finance concessionary loans and grants aimed at addressing the special circumstances prevailing in the poorest and least developed borrower countries. The Social Progress Trust Fund was established in 1961 by the Government of the United States to support projects in the agriculture, sanitation, education and social sectors.

These new NGOs viewed the microenterprise sector as an opportunity to combine their social mission with activities aimed at promoting development.

programs that profoundly affected the structure of employment and gave impetus to the informal sector, these organizations focused their attention primarily on urban and periurban areas. The commitment and energy of their leaders, their institutional links to the international experience, their specialization in the provision of high-quality technical services and the establishment of networks of affiliated organizations were the hallmarks of an era that covers virtually the entire decade of the 1990s.

Producer associations and cooperatives

In compliance with the principles that led to its creation, the SPP earmarked special support for mutual assistance entities, primarily

production and service cooperatives, as well as associations of small agricultural producers. This type of organization has implemented some 24 percent of all operations. Although this sector includes a number of large and very productive cooperative and associative enterprises, implementers of the SPP have primarily been organizations that serve two distinct subsectors of the economy: (i) the subsector that finds itself excluded from the process of agricultural modernization, and (ii) the subsistence agriculture subsector, whose members depend on family labor and who find in associative entities an ideal means to defend their group interests, legalize land holdings, secure social benefits and improve income.

Savings and credit institutions

Four percent of all operations have been implemented by savings and credit institutions, which include cooperatives specializing in microenterprise credit, as in the case of Chile's Credicoop. This type of institution is eligible to receive only technical cooperation resources aimed at improving institutional capacity to mobilize member savings; members are the primary source of funds for providing credit.

Public development organizations

The small number of operations channeled through public sector institutions (4%) primarily involve financial entities, particularly provincial banks in relatively more developed countries such as Argentina and Brazil, and Peru's municipal savings banks (cajas municipales de ahorro). SPP also has provided support to a number of local development agencies, such as Argentina's Corporation to Develop the Curi Leuvú Watershed (Corporación para el Desarrollo de la Cuenca de Curi Leuvú); the Beni, Potosí and Cochabamba watershed corporations in Bolivia; and Mexico's Puebla Promotion Corporation (Promotora de Puebla).

Businesses

The program has conducted 1 percent of its operations through the business sector. However, it is expected that

this medium will become a window of opportunity for the region in the future, as corporate social responsibility (CSR) operations pick up speed. Indeed, it was through the SEP that the first CSR operation in El Salvador was approved in October 2003. This operation will facilitate technical assistance resources and channel financial support from El Salvador's most important businesses to projects designed to alleviate poverty. Thus, through the SEP the Bank once more has an opportunity to assume a leadership role in supporting processes of social innovation and change.

ACTIVITIES

Thanks to the program's intrinsic flexibility, the Bank has successfully expanded its sphere of activity to sectors where international financing experience has been scant. In this regard, major efforts have been undertaken to explore new fields of endeavor and seek alternative solutions to the problems faced by the region's less-favored communities.

Through its two component activities – one providing **REIMBURSABLE FINANCING** and the other **TECHNICAL COOPERATION** – the program has financed:

- working capital for productive activities that contribute to

employment creation or to the transfer of income to the poorest groups and communities;

- the fixed investments required for the proper operation of such productive activities; and
- the technical assistance necessary to implement cutting-edge technologies ranging from those required for the production of cocoa, rice, corn, coffee, sheep and beekeeping to credit methodologies, financial intermediation and marketing.

Because it has a single basic design for the two component activities, so that they can adapt to the specific needs of intermediate institutions, beneficiaries, and both the local and national context, the program is a flexible and versatile tool that creates opportunities and encourages innovation.

BENEFICIARIES

In its first 25 years, the program directly reached almost 530,000 people through its implementing agencies. When families, employees and dependents are included, the number of beneficiaries easily exceeds two million.

Projects implemented under the program have focused primarily on population groups in the region's most depressed areas, characterized by high rates of illiteracy, unemployment and poverty. On the basis of location

and the nature of their activities, four broad groups of beneficiaries can be distinguished: (i) urban microenterprises with unsatisfied basic needs; (ii) urban microentrepreneurs with the capacity to accumulate capital; (iii) small rural producers; and (iv) rural and semirural population groups with unsatisfied basic needs.

Predominant among these groups are urban microentrepreneurs operating in the informal sector and having the capacity for capital accumulation. They serve local markets, and their activities run the entire gamut of commercial, manufacturing and service activities that present no obstacles to entry. Small rural producers account for some 44 percent of beneficiaries, with activities as varied as the available opportunities for agricultural cultivation and development, from coffee growing to silkworm breeding.

It should be stressed that, of the total number of beneficiaries, 41 percent are members of population groups with unsatisfied basic needs, mostly in the rural sector. For population segments struggling to ensure a subsistence level of production, the program has contributed to improving the local environment so that it will be more conducive to business development and to increasing rural productivity. The program also has been a pioneer in targeting unserved segments of the population – such as microentrepreneurs who are

women or young people – and in highlighting the role these people play in the development of the poorest communities in Latin America and the Caribbean.

TYPES OF PROJECTS

Throughout this period, the program has supported four types of initiatives in response to the demands of the countries; they are productive projects and microfinance projects, which account for the bulk of program operations; and business development initiatives and social projects, which, although small in number, have had the major virtue of making it possible to introduce innovations, test strategies, use new tools and provide support to excluded or underserved sectors through the efforts of individual countries and members of the international cooperation community.

From the outset, the program has been a major complement not only of the Bank's own instruments but also of the policies and support tools of each country. It has helped spur the development of new mechanisms of cooperation, such as the global microenterprise credit programs created in 1982 with a pilot project in Colombia.

Productive projects

More than half of the program

initiatives have been for productive projects designed primarily to increase income and improve the productivity of small producers and campesino communities. By strengthening their associations and cooperatives, the program has facilitated access to credit, technology and training for more than 220,000 small rural producers.

Productive projects have also sought to increase the value added of production by installing processing plants, service centers and direct marketing mechanisms, which allow small producers to increase their income by eliminating the intermediary. Equally important has been the support for community investments in the irrigation and electrification systems necessary to increase the productivity of economic activities.

To a large extent, the beneficiaries of these projects have been population groups with unsatisfied basic needs, such as women heads of household, former guerrilla fighters, indigenous populations and small rural producers. The primary activities that have received financing are organic farming, cottage agroindustries, beekeeping, cotton and coffee growing, poultry breeding, horticulture, dairy farming, artisan fisheries, cultivation of aromatic and medicinal plants, and breeding of both large and small livestock species.

FIGURE 4.
Types of beneficiaries

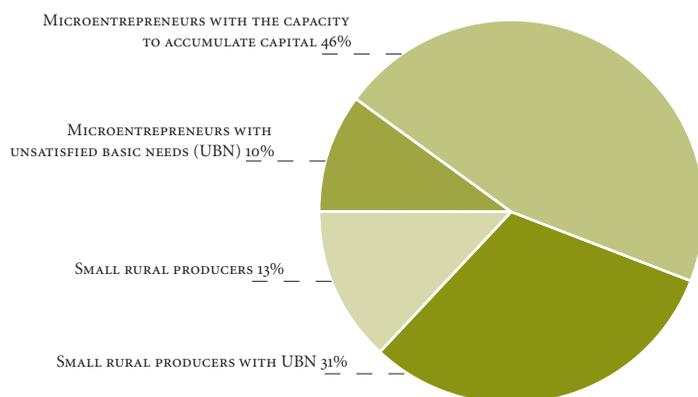
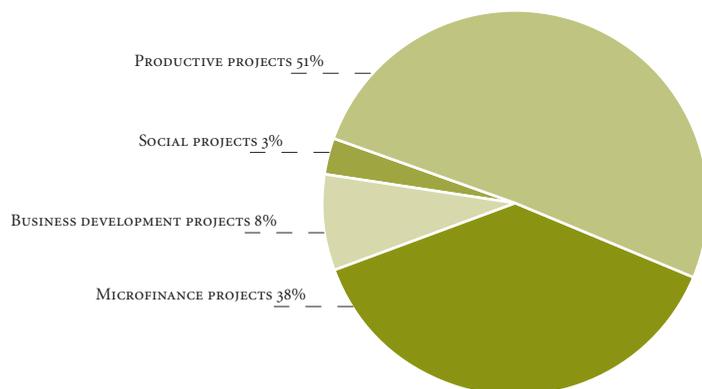


FIGURE 5.
Types of projects



Microfinance projects

Microfinance projects account for 38 percent of the total amount invested through the program; these projects have focused primarily on providing access to credit for microentrepreneurs. Through these initiatives, the Bank has contributed decisively to promoting the development of the region's microfinance industry in activities that range from promoting small credit programs implemented by development-oriented NGOs to financial intermediation and support for the creation of many of the regulated microfinance entities that currently play leading roles in this sector throughout the region. Through the 212 microfinance projects it has approved, the program has facilitated access to credit for more than 210,000 microentrepreneurs, primarily in urban areas.

Special mention is owed to the international networks that have supported and facilitated the dissemination of knowledge and best practices, and that have been true partners and strategic allies of the IDB in these efforts. Such is the case of ACCIÓN, Women's World Banking, Katalysis and Finca.

ACCIÓN was founded 40 years ago in response to high levels of poverty in the cities of Latin America. In the beginning, it was a student-managed

voluntary organization, focusing its activities on the slums of Caracas. Today, ACCIÓN is one of the world's premier microfinance organizations, with a network of affiliated credit institutions that extends throughout Latin America, Africa and the United States.

ACCIÓN has helped launch microcredit programs in 14 countries of Latin America, becoming the region's pioneer microfinance institution. ACCIÓN and its affiliates designed a credit methodology that responds to the specific needs of Latin American microenterprises. Loans to "solidarity groups" – in small amounts and for short terms – developed trust as well as a credit record, while visits to borrower worksites took the place of bureaucratic administrative procedures and helped eliminate the perennial constraint created by the lack of collateral.

With a repayment rate of 98 percent, ACCIÓN's clients soon demonstrated that the myth that the poor constitute an unacceptable credit risk is just that: a myth. In addition, it was discovered that microcredit had another revolutionary quality: It was self-financing, as the interest paid by each microborrower helped cover the cost of granting a loan to another client.

ACCIÓN's leaders were convinced that microcredit had the potential to transform economics in Latin America, but they knew that for this

to happen microcredit institutions would require access to a much larger source of capital. To date, 15 ACCIÓN-affiliated institutions have become regulated financial institutions, with several others on the way. With the ability to access financial markets, these institutions can serve not thousands but rather millions of individuals living in poverty.

By the end of 2003, the 20 ACCIÓN affiliates in Latin America and the Caribbean had more than a million active clients and a portfolio totaling US\$608.8 million. Over the past 10 years, these affiliates have placed more than US\$5.8 billion in loans and reached 3.2 million clients. The average loan granted by ACCIÓN affiliates is US\$560.

The goal of the **WOMEN'S WORLD BANKING (WWB)** network is to increase the assets of low-income women and strengthen their participation and influence as businesswomen and economic agents by facilitating access to financing, know-how and markets. The network is made up of 26 lead member organizations that provide sustainable and affordable financial services to low-income women in Latin America, Asia, Africa, Europe, the Middle East and North America. WWB has close to 600,000 active clients, with an average loan amount of US\$356 and a repayment rate higher than 95 percent; it has achieved operational and financial self-

sufficiency. To ensure their success as microfinance institutions and agents of change, the global network offers its members the opportunity to build a common vision and mission, and provides them with integrated services that meet their needs in four areas: technical services, financial products and services, activities for policy change, and networking and training services.

Of the 11 WWB organizations in Latin America and the Caribbean, 10 have received support from the Small Projects Program. As a result of their own work and the support provided by the Bank, one WWB organization is currently completing the process to become a full-fledged bank and at least four others have begun to take this important step.

KATALYSIS PARTNERSHIP, INC. is an institution that, since its founding in 1984, has been committed to applying advanced business solutions to the problems inherent in poverty. Katalysis provides tools designed to meet the needs of low-income individuals in developing countries and enable them to improve their economic and social conditions. The organization is well-known for pioneering the dynamic model of a society that progresses in accordance with common development goals. To do this, it strengthens the sustainability of each member institution and creates a north/south learning environment.

Initially, Katalysis was a multisector development organization. It has gradually expanded its services, from having a single partner in a single country to having eight partners in four countries. In 1996, Katalysis began to modify its approach to focus on services for microcredit programs and thus pursue its development objectives. Currently, the Katalysis network has some 27,000 clients and a loan portfolio in excess of US\$6.5 million. The role played by Katalysis involves helping to develop the capacity of local partners, accelerate the growth and sustainability of their microcredit services, and facilitate the ongoing exchange of significant experiences and lessons learned through the network. Local professional staff operating out of the regional field office in Honduras provide all direct technical assistance, while Katalysis's headquarters in California focuses on outreach expansion, resource mobilization, research and development, and documentation.

The **FOUNDATION FOR INTERNATIONAL COMMUNITY ASSISTANCE (FINCA)** is an organization created in 1984 to combat poverty and provide financial services to low-income families. It operates in 20 countries throughout the world and has close to 230,000 clients, to whom it has provided more than US\$130 million in financing through its methodological model

known as village banking. This system was developed by John Hatch, FINCA's founder, and combines client responsibility with autonomy, with special emphasis on community and individual development issues.

The village banking model enjoys considerable success in Latin America and the Caribbean; many institutions that use the model have received support under the Small Projects Program, including Compartamos in Mexico and Promujer in Bolivia and Mexico.

Business development projects

Business development projects focus on strengthening the managerial, administrative and technical capabilities of microentrepreneurs, along with their business vision. Some of the principal strategies applied in this field of action include training and technical assistance programs, provision of marketing and production services, organization of service centers, and strengthening of trade associations.

The SPP has invested 8 percent of its resources in this area through 47 projects benefiting more than 72,000 microentrepreneurs.

As a rule, the target beneficiaries for this type of initiative are not the so-called "subsistence microentrepreneurs." Rather, they are individuals who have demonstrated that they have a well-run business

TABLE 1.
Program-financed initiatives by country, category, amount and number of beneficiaries, 1978–2003

NO. OF PROJECTS	COUNTRY	TYPE OF PROJECT				TOTAL IDB (US \$)	NO. OF BENEFICIARIES
		PRODUCTIVE (US \$)	MICROFINANCE (US \$)	BUSINESS DEVELOPMENT (US \$)	SOCIAL (US \$)		
27	Argentina	8,601,000	6,165,000	0	770,000	15,536,000	13,735
6	Barbados	985,000	810,000	0	0	1,795,000	995
3	Bahamas	765,000	0	0	620,000	1,385,000	1,270
2	Belize	650,000	650,000	0	0	1,300,000	1,200
39	Bolivia	14,230,000	9,157,000	0	0	23,387,000	31,008
38	Brazil	5,598,000	15,970,000	750,000	640,000	22,958,000	29,625
17	Chile	1,906,000	6,235,000	350,000	0	8,491,000	45,715
49	Colombia	4,332,600	7,637,000	9,233,800	1,870,000	23,073,400	63,424
39	Costa Rica	15,473,700	5,184,000	0	530,000	21,187,700	23,950
24	Dominican Republic	7,536,000	4,910,000	0	0	12,446,000	31,432
28	Ecuador	7,985,000	6,051,000	625,000	2,295,000	16,956,000	61,880
26	El Salvador	6,820,000	4,322,000	1,290,000	0	12,432,000	18,897
33	Guatemala	8,350,800	4,902,000	1,789,000	1,073,000	16,114,800	42,097
4	Guyana	1,228,000	331,000	0	0	1,559,000	1,550
11	Haiti	2,672,000	1,998,000	938,000	0	5,608,000	6,390
27	Honduras	6,028,000	7,240,000	500,000	0	13,768,000	17,009
6	Jamaica	2,332,000	0	0	0	2,332,000	2,575
45	México	15,090,000	7,710,000	1,350,000	0	24,150,000	38,237
24	Nicaragua	8,725,400	2,933,000	500,000	402,000	12,560,400	11,880
41	Peru	8,003,000	13,868,000	0	0	21,871,000	41,220
14	Panama	2,720,000	3,031,000	0	1,160,000	6,911,000	12,655
24	Paraguay	6,038,000	5,626,525	65,000	667,000	12,396,525	11,780
2	Suriname	40,000	0	296,000	0	336,000	150
3	Trinidad and Tobago	1,243,000	615,000	0	0	1,858,000	950
19	Uruguay	8,401,800	1,641,000	0	500,000	10,542,800	8,885
19	Venezuela	6,613,000	3,575,000	1,210,000	0	11,398,000	9,690
570	Totals	US\$ 152,367,300	US\$ 120,561,525	US\$ 18,896,800	US\$ 10,527,000	US\$ 302,352,625	528,199
NO. OF PROJECTS		292	212	47	19	570	
NO. OF BENEFICIARIES		220,332	212,166	72,091	23,610	528,199	

and who possess a specific skill (typically in production or sales) but lack administrative, accounting and financial skills.

Social projects

Although they account for only 3 percent of the total investment made by the program, these projects

have been an essential instrument for serving social actors and major segments of the excluded population. In addition, they have served to call the attention of other actors, particularly the international cooperation community, to the needs and potential of such groups, including, for example, the guild of waste recyclers, and individuals with

physical and mental disabilities.

Over a 25-year period, financing has been provided to 19 exclusively social projects that have benefited almost 20,000 people. However, it should be stressed that all initiatives financed by the SPP contain, in one way or another, a social aspect. The improvement of living conditions

by means of a productive project, a microloan or the provision of microentrepreneurial business training generates self-esteem and economic and social inclusion.

Table 1 provides a summary of the types of projects approved by country. The program has invested us\$302 million to the benefit of some 528,000 individuals, equivalent to an investment of us\$572 per beneficiary.

COUNTRIES

One of the Bank's primary objectives is for its member countries to achieve balanced development. Given the differences in the extent of development and the economic potential of countries in the region, achievement of this objective requires that the Bank give preferential treatment to relatively less developed nations. It is to these countries that the program has directed most of its efforts, without detriment to serving poor communities and excluded groups in general, who are deserving of support regardless of where they live. 76 percent of total resources have been directed toward countries with medium to low levels of relative development.⁴ Among these, the region's poorest nations accounted for almost 60 percent of the assistance provided during this period.

FIGURE 6.
Funds mobilized by type of country

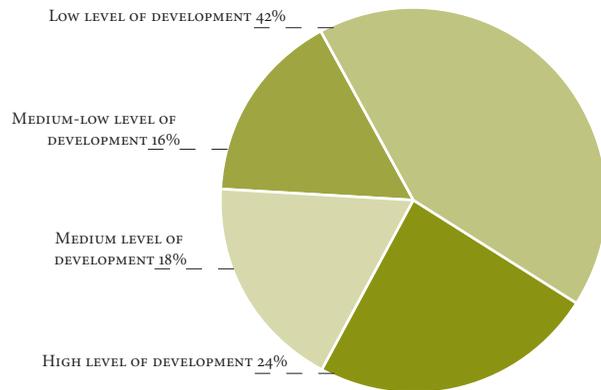
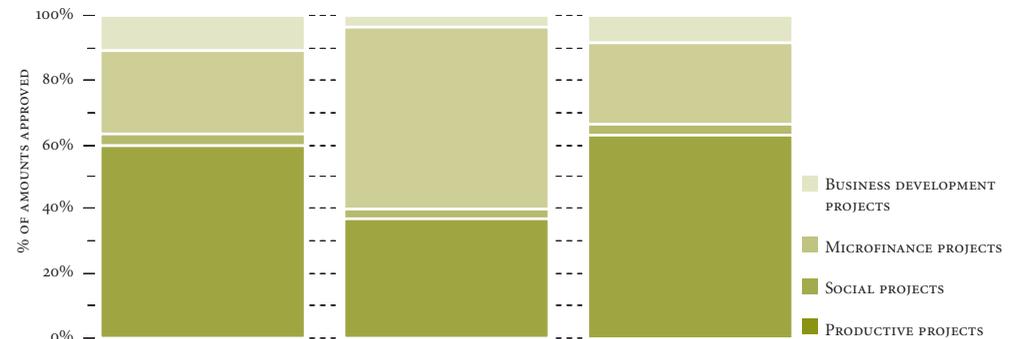


FIGURE 7.
Type of project by stage of implementation



LIFE CYCLE

Development instruments should be adapted to the needs and specific circumstances of the countries in which they are to be used. From the outset, the program was sufficiently flexible to be able to adapt to changing circumstances in both the business environment and the theory and practice of issues of concern to microenterprise, without substantially modifying its methodological design. It is this versatility that has characterized the three stages of SPP implementation (start-up, consolidation and reengineering) that led to the launching of the Social Entrepreneurship Program in 1998.

Start-up: 1978–1990

In the context of the growing tendency toward strengthening public institutions and promoting the return of democracy, so-called “programs of structural adjustment” were implemented in Latin America and the Caribbean. The primary objective of these programs was to resolve the problems of external debt and fiscal deficit while, at the same time, reorienting the economic functions of the state and liberalizing trade. The steps most frequently taken by countries were reductions in social welfare expenditures, salary cuts, and deregulation of the private sector. As a result of their efforts to mitigate the effects of these adjustments, NGOs (specialized nonprofit organizations with the ability to reach areas where the

state had no presence) achieved a high level of prominence during this period.

In this stage, the program focused on providing support to productive projects, channeling 60 percent of its resources to farmers and small rural producers involved in a wide variety of activities including dairy operations, coffee growing, artisan fisheries, beekeeping, poultry raising, horticulture, livestock breeding and subsistence agriculture.⁵

⁴ Countries with high levels of development: Argentina, Brazil, Mexico and Venezuela. Countries with medium levels of development: Chile, Colombia and Peru. Countries with medium-low levels of development: Barbados, Bahamas, Costa Rica, Jamaica, Panama, Suriname, Trinidad and Tobago, and Uruguay. Countries with low levels of development: Belize, Bolivia, Dominican Republic, Ecuador, El Salvador, Guatemala, Guyana, Haiti, Honduras, Nicaragua and Paraguay.

⁵ The following were some of the entities implementing projects during this period: Federación de Centros Juveniles Agrarios Sancor, Argentina; Asociación de Horticultores y Fruticultores (Asohsrut), Bolivia; Cooperativa de Productores de Punta Arenas, Chile; Centros Agrícolas Cantonales de Costa Rica; Instituto Nicaragüense de Desarrollo, Nicaragua; Association for Caribbean Transformation, Trinidad and Tobago; Central de Cooperativas Minero, Bolivia; and Fundación Miguel Alemán, Mexico. Also during this period, a major effort was focused on promoting artisan initiatives, such as Manos del Uruguay, Artesanillas de Colombia, Asociación de Servicios Artesanales y Rurales in Bolivia, and Sociedad de Artesanos Haitianos.

Microfinance projects received 25 percent of program funds. Typically, these involved microfinance organizations that, over time, successfully deepened their technology; today, most of them operate as regulated institutions.⁶ To help give the region's small producers, artisans and microentrepreneurs access not only to financial services but also to other resources that would enable them to develop their business capabilities, the program supported a series of business development initiatives. These efforts focused initially on Colombia and were led by a group of "entrepreneurial foundations," as they came to be known, led by Colombia's Carvajal Foundation.⁷

Projects of an exclusively social nature received 4.3 percent of total program funds during this start-up period (as opposed to 3% now). This category primarily includes efforts to provide professional training for young people.⁸

During this period, a total of 221 operations were approved for a total of US\$107 million, slightly more than one third of the total amount mobilized over the program's 25 years of existence.

Consolidation: 1991–1997

From a strategic standpoint, operations during the consolidation period focused on developing the microfinance industry as an essential element for ensuring that the region's

poor microentrepreneurs would have permanent access to credit services. The emphasis was on strengthening intermediary entities, many of which came into existence during this seven-year period. Over 56 percent of program resources were channeled toward microfinance projects.

In the early 1990s, the gap between rich and poor in Latin America widened and the structure of the labor market underwent a radical transformation. Small enterprises and the urban informal sector emerged as the most dynamic elements of the economy, although this also meant a significant increase in the precarious nature of work, high levels of unemployment, and competition for entering the job market as a result of a substantial increase in the number of young people and women seeking employment.

Participation by women in the job market, particularly in the informal sector, continued to grow, along with their requirements for access to credit and other tools that would enable them to improve their income and the well-being of their families. This situation was noted early on by a number of organizations that received IDB support under the program. Chief among these organizations was the Women's World Banking network. During this period, affiliated WWB organizations were established in Argentina, Chile, Uruguay, Bolivia,

Mexico, Brazil and the Dominican Republic. The Dominican Republic organization is currently in the process of becoming a microfinance institution. Five member organizations were established in Colombia; they are currently considered to be among the most efficient nonformal microcredit organizations in Latin America.

In this period, projects designed to develop and strengthen microfinance technologies predominated, and many of these projects provided the impetus for the creation of the region's first regulated microfinance banks and institutions.⁹ During this time, financing was also provided to organizations affiliated with Katalysis, such as ODEF in Honduras, ACODEP in Nicaragua, and FINCA in Honduras.

Almost 3 percent of program resources were channeled to business development projects, among which Insotec in Ecuador and AMACUP stand out. Social projects received 3.3 percent of total resources, including projects implemented by Federación Nacional de Sordos in Colombia and Fundación Instituto Pedagógico de Nivelación Aranguren (IPNA) in Argentina. Productive projects received 37.7 percent of total program resources.¹⁰

During these seven years, 231 operations were approved for a total of US\$140 million, accounting for 46 percent of the total financial resources placed by the program during its first 25 years of operation.

Reengineering: Social Entrepreneurship Program (1998 to present)

In 1998, to coincide with the celebration of the first 20 years of the Small Projects Program, the Bank redesigned the program on the basis of experience acquired and lessons learned. This redesign led to an increase in funds available for financing and an increase in the range of eligible operations, which in turn led to the creation of the Social Entrepreneurship Program (SEP).¹¹ The SEP is intended to provide support to productive projects in all sectors of the economy (agriculture, manufacturing, services and trade), as well as to innovative community and social development initiatives that will contribute to improving the economic opportunities of poor segments of the population and other excluded groups.

The SEP supports entrepreneurial initiatives that provide social benefits and helps community organizations promote microenterprise development in traditional areas such as financial services and innovative endeavors such as environmental management. Some 63.9 percent of program resources has been channeled to productive projects,¹² while 26.4 percent has been invested in microfinance projects.¹³ Social projects received 2.5 percent of all funds during this period. Interesting examples of this type of initiative are Colombia's Fundaunibán

and Uruguay's Organización San Vicente, in which very low-income groups use recyclable waste to enhance their incomes. Business development projects received 7.2 percent of all approved disbursements; of note here are the projects implemented by Suriname's Cámara de Comercio e Industria and Bolivia's Prodem.

Between 1998 and 2000, 118 operations were approved for a total of US\$54.9 million. The outstanding characteristic of the activities implemented during this period was innovation, not only in the type of projects financed but also in the mechanisms designed to generate positive impacts on the development of beneficiary communities.

By way of illustration, this book documents 21 stories of institutions and beneficiaries that have received resources under the program. They include seven productive projects, nine microfinance projects, two business development projects and two social projects.

⁶ During this period, support was provided to projects carried out by Central Cooperativa Nacional de Paraguay; Acción Comunitaria (now called Mi Banco) in Peru; Fundación de la Provincia de Córdoba in Argentina (this program is no longer in operation); Ademi, (currently known as Banco Ademi) in the Dominican Republic; and Centro de Fomento a Iniciativas Económicas (FIE) (currently known as FIE-F.F.P.) in Bolivia.

⁷ Fundación Carvajal transferred its technology to the following organizations: Corporación Fabricato para el Desarrollo Social (now known as Micro Empresas de Antioquia); Fundación Empresa Privada Compartir; Fundación para el Desarrollo de Santander; Corporación para el Desarrollo de Caldas; Fundación Carlos Sarmiento Lora; Corporación para el Desarrollo del Cauca; Fundación Projuventud Trabajadora; Fundación Mario Santo Domingo; Fundación para el Desarrollo del Litoral Pacífico; Fundación para el Desarrollo Industrial, Comercial y Artesanal de la Guajira; Fundación para el Desarrollo de la Juventud Rural; Promotora de Servicios Micro Empresariales; Promotora de Comercio Social; and Fundación Corona.

⁸ These include the projects promoted by Patronato de la Juventud Rural in Panama, Centro del Muchacho Trabajador, Fundación Nuestros Jóvenes in Ecuador, and the Asociaciones y Fundaciones Nacionales de Clubes 45 in Nicaragua, Costa Rica and Ecuador.

⁹ These include BancoSol and Caja Los Andes, in Bolivia; Financiera Calpiá, in El Salvador; Banco Ademi, in the Dominican Republic; Fin Sol, in Honduras; Financiera Confia, in Nicaragua; Finansol/Corporsol, today known as Finamérica, in Colombia; Mi Banco, Edpyme Confianza and the Cajas Municipales de Ahorro y Crédito, in Peru; the Centro de Apoyo a los Pequeños Emprendimientos (Ceapes), in Brazil; and four Asociaciones Civiles de Apoyo in Venezuela.

¹⁰ Institutions served during this period include Asociación de Productores de Cacao in Honduras; Instituto de Fomento para la Comercialización Campesino in Peru; Cooperativa de Caficultores Grano de Oro de R.L., in El Salvador; Fe and Alegría in Guatemala; Sociedad de Fomento Rural de Durazno in Uruguay; Organization for the Rehabilitation of the Environment in Haiti; and Hogar Rural, in Argentina.

¹¹ IDB. 1998. "Reingeniería de un programa de desarrollo microempresarial: Propuesta de reforma administrativa y de políticas del Programa de Pequeños Proyectos del BID." Department of Sustainable Development, Washington, D.C.

¹² Implementing organizations include Barbados Sheep Farmers Inc.; Fundación Gestión de Residuos Sólidos de Ecuador; Asociación de Productores de Trucha in Peru; Asociación de Productores de Frijol in Bolivia; Centro Agrícola Cantonal de Cotobrus in Costa Rica; and Federación Indígena Ecológica de Chiapas in Mexico.

¹³ Examples include Asociación de Empresarias Mexicanas; Asociación Provivienda in Bolivia; Pro Mujer in Peru; and Agencia de Desarrollo Local de Morazán, today known as Sociedad Cooperativa AMC de R.L., in El Salvador.



MANOS DEL
URUGUAY

1



URUGUAY



FROM PAYSANDÚ TO NEW YORK CITY

Manos del Uruguay was the first operation approved by the Inter-American Development Bank's Small Projects Program. For more than 35 years, the program's activities have contributed to the economic organization and successful introduction into the international market of textile products made by women artisans living in the small towns of Uruguay.

THE RICHES ARE IN THE STITCHES

For the Argentineans, Chileans, Paraguayans and Brazilians who spend their summer vacations at the exclusive Punta del Este international resort, it is impossible to return home without having purchased at least one item from Manos del Uruguay, whose *ruanas* (a sort of square poncho), sweaters, scarves, caps and gloves are irresistible because of their colors and design, the texture of the materials used, and their craftsmanship. People in the United States feel this same attraction as they gaze at the winter window displays of J.Crew or Abercrombie & Fitch, all filled with Manos del Uruguay products.

In March 1968, a group of women from families in agricultural areas who were involved in the Christian business leaders movement sat down to discuss alternative ways of generating employment to help alleviate the poverty suffered by Uruguayan rural women. They recognized that these

women were highly skilled and proficient in two areas: knitting and weaving. Turning this recognition into a strategic vision, they concluded that those skills held enormous potential for generating sources of employment and income for these women and for improving the economic, social and cultural development of their families and communities.

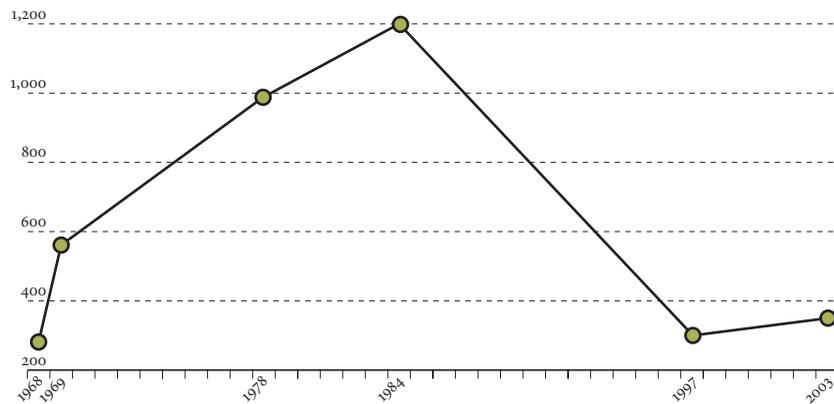
And so was born the idea of creating a movement that would enable the women to devote their free time to production of top-quality goods and to promoting self-management through a cooperative organization – all without having to be uprooted from their domestic environment, their families and their neighborhoods. The result, Manos del Uruguay, is at once both a registered trademark and a strong cooperative movement of women who are poor yet heads of households and artisans.

Manos del Uruguay grew rapidly. Women volunteers in cities throughout Uruguay launched a process of training to channel the manual skills of rural

women into weaving and knitting to make woolen ponchos, blanket, scarves, *ruanas* and sweaters. This movement started with five groups in early 1968. By the end of that year it had grown to 12 pre-cooperative groups with a total of 281 women artisan members. A year later it involved 561 artisans in 31 groups. The keys to this rapid initial growth were, first and foremost, the tireless effort of the founding volunteers, and second, the organization's ability to keep the family intact at the same time it was opening up new sources of employment. Consolidation of the initial effort was achieved through the application of the principles and practices of the cooperative movement.

The organization of this undertaking is simple. At its core are the cooperatives formed by women artisans. These cooperatives enjoy both legal and administrative autonomy. In addition, it includes a number of second-tier cooperative entities that bring the core groups together under the Manos del Uruguay project. The management of

GRAPH 1.
Number of Artisans



the movement has been entrusted to external professionals and technical personnel so as to ensure optimum management and coordination among the areas of product promotion, production, design and marketing. A centralized service center coordinates the supply of raw materials, technical assistance, design, production training, cooperative organization and business management.

The organization's life cycle has taken on these five distinct stages:

Start-up. This stage began when the women volunteers transformed their idea into reality and quickly came to realize that acceptance and future growth of their initiative would require something more than vocation and dedication with a humanistic and Christian orientation.

Professionalization and expansion. This stage began in 1969 with the

creation of the service center and the separation of the promotion and community work functions from those involving management and technical assistance. The former were entrusted to the women volunteers with support from the Uruguayan Cooperative Center, whereas the management and technical assistance functions were assigned to a group of technical and professional personnel. This period, which extended through 1984, was characterized by meticulous attention to product quality, from raw materials to final design, and by the consolidation of the Manos del Uruguay brand and the opening of new markets, both in Uruguay and internationally. During this stage, Manos del Uruguay not only received its first significant international assistance—from the Inter-American Foundation—but also became, in 1978, the first beneficiary of the recently launched Small Projects Program of



the Inter-American Development Bank (IDB). The financial support provided by the IDB led to a profound change in the way work was organized, a significant increase in productivity and a corresponding increase in the organization's volume of trade.

Technical cooperation resources were used to introduce new technologies, particularly distaffs and looms. Securing appropriate locales for the cooperatives and having raw material inventories available made it possible to organize production into workshops and thus overcome both the women's sense of isolation and the logistical difficulties inherent in working at home. This new system was accompanied by the strengthening of the service center and the further organization of the commercial and technical departments. Much of the success of this project is attributable to the structure and importance that Manos del Uruguay

gave to the service center and to access to new resources.

With the IDB financing, the organization sought to eliminate one of the most critical constraints on expansion of the system: the lack of collateral required to obtain conventional bank financing. Lack of financing prevented the organization from storing appropriate volumes of raw material, which often led to delays in making payments to artisans. Not only did this problem negatively affect the artisans' household economy, it also contributed to a decreased commitment to the initiative.

Thanks to the support provided by the Bank, the movement successfully consolidated its operations during this period, increasing from 114 pre-cooperative groups with 988 members in 1978 to 18 cooperatives and 1,200 artisans in 1984.

Golden age. This stage spans the period from 1984 to 1990, when Manos del Uruguay successfully conquered the international market, particularly Japan and the United States. This period was characterized by high sales, complemented by the implementation of the 22 percent export drawback mechanism. This subsidy generated a collective sigh of financial relief among members and greater returns.

Decade of the 1990s. In this decade, Manos del Uruguay entered into a cycle of fluctuations and crises, characterized by the suspension of export subsidies, recession in international markets and recurring crises that affected growth throughout Latin America. In 1992, the organization underwent a major restructuring, which included drastic cuts in both administrative costs (reduction in staff) and production costs (decrease in the number of artisans). This restructuring, which involved deciding between maximizing the efficiency of the business or conserving jobs for artisans, made it possible to address the situation that occurred in the mid-1990s, although not entirely successfully. In 1997, the number of artisans was reduced to 300.

From 2000 to date. Beginning in 2000, the business entered into a period of increased stability. For the first time in 10 years, the firm closed three consecutive fiscal years in the black, a result of having chosen a production model with a high export profile. By 2003, the external market and the

off-season periods enabled the firm to maintain production at a constant level year-round, by virtue of a stable group of some 350 member artisans organized into 17 cooperatives in 10 of the country's 19 departments.

THE LESSONS OF MANOS DEL URUGUAY

The IDB loan provided a major source of security and confidence at both the internal and external levels. With this loan, Manos del Uruguay was able to enter the export market with confidence and establish a brand that not only is synonymous with top-quality craftsmanship, but also has become a sort of letter of introduction for Uruguay.

For the women artisans, the IDB loan facilitated one of the most significant changes in the system because it enabled them to purchase their own locales, properly equip the cooperatives, and set up the workshop-based production system. In addition, it promoted specialization, contributed to eliminating the sense of isolation and made it possible to introduce an important source of joint learning, not only in the area of textile production but in cooperative management as well. Moreover, it was instrumental in improving production programming and compliance with export sales commitments.

However, Manos del Uruguay made no substantial reinvestments in the

business during its period of growth. Rather, earnings from sales were distributed to staff and artisans in the form of salaries. The weakness created by this decision continues to affect the groups, notwithstanding three consecutive years in which the business broke even and a volume of sales currently totaling some US\$2 million.

To the women artisans, Manos del Uruguay has provided an opportunity to secure their own source of employment, which in turn has become the primary support for the household economy. For members, Manos del Uruguay is more than a business; it represents a sense of belonging.

Manos del Uruguay currently faces a series of challenges deriving from its institutional design, which is at once responsible for the organization's principal virtues and weaknesses. They are as follows: (i) the combining of social goals with business objectives; (ii) the geographic dispersal of the groups of women artisans in 39 locations, which tends to increase costs and hamper the production and distribution processes; (iii) the introduction of new technologies, successful adaptation to the demands of the fashion market and conservation of the artisanal nature of the operation; and (iv) the commitment to the philosophy of the firm and to generational changes.

Despite everything, the consolidation effort tirelessly pursued by Manos del Uruguay over the past 35 years has

ATTEMPTS TO REPLICATE

The Manos del Uruguay experience has spawned two other similar initiatives. In Chile, the Small Projects Program supported Manos de Valdivia, a project designed to strengthen a group of women artisan weavers in marginalized areas of the outskirts of Valdivia, in southern Chile. Although the project effectively reached the beneficiary population, it has yet to achieve self-sufficiency.

In Brazil, the *Asociación de Artesanos y Productores Caseros Manos de Minas* (Association of Artisans and Home Producers Manos de Minas) was created in 1983 to support the informal sector artisans and producers of that state by marketing their products. In 1988, the organization was transformed into an association of independent artisans. In 1994, the IDB approved a proposal to create a fund to promote the marketing of handicrafts. Manos de Minas has obtained results similar to those recorded in Chile.

become an effective tool for addressing these challenges. In addition, the emphasis on product quality and the resulting recognition generated for Manos del Uruguay's products in the international market makes it possible to predict a future filled with success. The organization's work with such highly visible brands as Polo, Ralph Lauren, Donna Karan, Nordstrom and Bloomingdale's has not been in vain; it has become one of Manos del Uruguay's most valuable assets.



ESPECIE: *Phaseolus vulgaris*
VAR: FINL...
PRO...
FECD...
1920...
BE...
A...
TDA...
...
...

2 FEDERACIÓN
DE COOPERATIVAS
AGROPECUARIAS
DE SAN JUAN LTDA.





Nature blessed the Argentine province of San Juan with natural advantages that its small agricultural producers did not hesitate to transform into competitive advantages.

SEEDS FOR GROWTH

The San Juan province in Argentina is distinguished by its mountainous topography and dry climate. Since colonial times, when the Spaniards introduced wine production and developed the grape and wine industry, the economy of San Juan has been based on a smallholder, single-crop structure. The small producers contributed capital, inputs, tools and farm management, while seasonal labor was contracted as needed through intermediaries.

This productive structure was severely shaken in the early 1980s by two converging phenomena: the globalization process and economic contraction that, in San Juan, led to a profound crisis in the single-crop system. More than 25 percent of the vineyards in San Juan province were forced to shut down as a result of low levels of productivity, which in turn placed the livelihood of most of the region's small producers and rural workers seriously at risk.

This critical situation, which caused

widespread damage to regional economies and to hundreds of thousands of small producers, prompted the Ministry of Agriculture, Livestock and Fishing, through the National Institute for Agro-Livestock Technology (Spanish acronym INTA)¹, to launch, in 1984, *Programa de Apoyo a los Pequeños Productores Agropecuarios*, (Program of Support to Small Agro-Livestock Producers, known by its Spanish acronym, Proagro). The initiative included technical and financial support to both producers and associative and community organizations and agencies, and received significant backing from international cooperation organizations. The program made it possible to increase the average household income of small farmers, diversify production and introduce new labor-intensive technologies – particularly shade crops, fruits and vegetables – while successfully promoting the active participation of rural women.

THE BLESSINGS OF NATURE AND HUMAN CAPITAL

In the mid-1980s, Proagro launched its Agro-Livestock Cooperative Systems Project in San Juan province, an effort aimed at transferring a technological diversification package and introducing labor-intensive agricultural activities. The project was launched with a group of unemployed and landless rural workers who organized themselves into labor and production cooperatives for the purpose of producing vegetable and fodder seed. The venture involved a dual challenge: to successfully integrate small producers and rural workers, and to diversify production.

Vegetable and fodder seed production requires the presence of certain agro-ecological conditions that San Juan province has in abundance: soil irrigation, crop production using controlled irrigation with available water resources, a dry climate with high levels of luminosity, an

¹ The National Institute for Agro-Livestock Technology is a decentralized agency created in 1956 under the Ministry of Agriculture, Livestock and Fishing to promote agro-livestock extension and research activities.

Its primary goal is to enhance the competitiveness of the agro-livestock, forestry and agro-industrial sector in all areas of the country, within a framework of ecological and social sustainability. Its priority activities include generating information and technology to support the many processes and products involved in this far-ranging sector, which it then makes available to rural producers through its extension system.

extended period of sunlight, broad thermal amplitude, limited risk of frost and hail, and a wind known locally as Zonda that, when it blows, operates like a vacuum chamber. Two climatic regions – the Tulum Valley and the area known as Oasis Cordilleranos – provide San Juan with natural advantages that the member cooperatives hoped to leverage into broad competitive advantages.

Four pre-cooperative groups and four labor and consumer cooperatives were created in 1983, leading eventually to the creation of a cooperative federation in 1988: Federación de Cooperativas Agropecuarias de San Juan Ltda. (San Juan Federation of Agro-Livestock Cooperatives, with Spanish acronym Fecoagro). Legally established in 1992, Fecoagro is widely recognized as a pioneer in introducing new hybrid and open-pollination seed varieties that today account for 30 percent of Argentina's total vegetable seed production.

In the start-up stage, training of new cooperative members was critical, with the School of Social Sciences of the National San Juan University, the Argentine Agrarian Federation, and the San Juan Province Directorate of Cooperatives contributing to that effort. At the conclusion of the stage focusing on production diversification and specialization and the social organization of the local economy, Fecoagro faced the challenge of

increasing its competitiveness to match the pace of its growth. To do this, it would need to improve seed-processing operations, as seed classification and cleaning were performed manually at a high cost, in terms of both price and the quality of the finished product. In addition, cooperative members needed funds for working capital.

Many of the projects that had been receiving support from the Proagro program were facing challenges similar to those experienced by Fecoagro. In 1993, four INTA-supported organizations headed by Fecoagro approached the Inter-American Development Bank (IDB) to request financing in the amount of US\$2,180,000 under the Bank's Small Projects Program. The purpose of the proposed initiative was to increase the productivity of small agro-livestock producers by introducing appropriate technologies and promoting the further consolidation of the cooperatives of which they were members.

The four organizations – *Cooperativa Agropecuaria Unión Campesina Ltda. de Santiago del Estero*, *Asociación Cooperadora Experimental Agropecuaria de Catamarca*, *Cooperativa Agrofrutícola El Oasis de Santa Cruz*, and Fecoagro – were successful in strengthening their capacity to provide services. With the funds provided by the IDB, Fecoagro

set up a rotating fund of US\$300,000 to provide affordable credit for working capital and purchase of fixed assets to the 300 families affiliated with Fecoagro's 13 member cooperatives. At the same time, US\$200,000 was invested in the installation of a seed-processing plant and the purchase of agricultural machinery for tilling, which made it possible to increase the value added to the cooperatives' product.

The project also included funds for expanding and improving Fecoagro's operating capacity by purchasing computer hardware, communications equipment and vehicles, as well as consulting assistance in the areas of information systems, marketing, administration and financial management.

Fecoagro and its member cooperatives subsequently entered into a cycle of sustained growth, despite the negative impact of the many economic and institutional reforms introduced in Argentina during the 1990s, with the result that Fecoagro's net worth increased from US\$2,520 in 1993 to almost US\$1,000,000 in 1996.

ADDITIONAL GROWTH AND INVESTMENT

The loan fund enabled Fecoagro to purchase the products of member cooperatives in advance, provide

inputs to producers, and increase value added through the seed-processing plant. In addition, the fund heightened the expectations of the cooperatives' many small-producer members, most of whom were unemployed landless workers.

The momentum generated by this small project in terms of growth and increased self-esteem prompted Fecoagro to set more challenging goals for the organization. In the process, the federation came to realize that the only way to improve the cost-benefit ratio for its small producers would be to take steps to ensure that increased sales margins were not consumed by the excessively high costs of rural land leases. Accordingly, in 1997, the federation opted to participate in a program through which value added tax (VAT) payments could be used to purchase land. The total investment made by Fecoagro for the benefit of its member cooperatives through this program totaled US\$1,800,000; the federation purchased 431 hectares of land for its members and expanded its experimental plot.

Currently, Fecoagro supplies packets of seeds to the central government and to the provincial governments of Buenos Aires, Corrientes and Misiones for use in family and community garden projects. In addition, it is currently implementing a marketing plan specifically targeting Argentina's more than 3,000 municipalities.

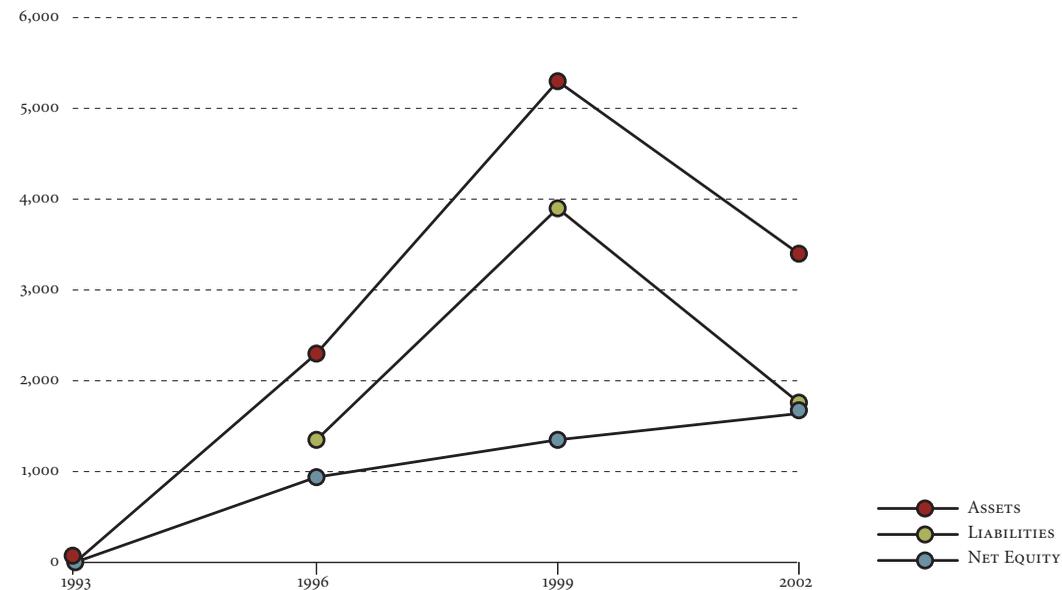
Fecoagro's growth and positive results have also had a major impact on the communities in which it operates, whose small-scale economies have become more vibrant with the injection of fresh cash from the trade in basic commodities and the seasonal demand for labor.

Fecoagro currently includes 25 affiliated cooperatives with a total of 388 member producers. The federation of cooperatives, equipped with a modern processing plant and 400 hectares of land divided into small production units, all located within a radius of 150 kilometers, accounts for 30 percent of the total national production of vegetable seed. It has recently added complementary activities, including the production of fresh onions; production of seeds and seedlings for aromatic species; extraction of essential oils; processing of food products, including candy, jams and jellies, as a cottage industry; sheep-raising; manufacture of homemade cheese; and beekeeping.

Services provided by Fecoagro to its members include the following:

- Marketing – based on strict quality standards with a view toward substituting imports and expanding exports with a uniquely branded product.
- Supply of inputs – bulk procurement and distribution to reduce production costs.
- Provision of agricultural machinery and equipment.

GRAPH 1.
Equity Development



- Provision of technical and organizational assistance.
- Administrative management.
- Training provided in conjunction with major universities and specialized training centers.
- Consumption – bulk purchasing to decrease the cost of food products.
- Social services – scholarships for members' children enrolled in high school, and a housing program.

By virtue of its considerable experience with member cooperatives, Fecoagro is also providing marketing, management and accounting services to other cooperatives that have benefited from support received from the IDB

Small Projects Program, such as the Cooperative Hogar Rural de Mendoza and Cooperative Cauqueva de Jujuy.

Fecoagro has firmly established itself as a second-tier institution with a nationally recognized trademark, satisfying a significant portion of the local demand for vegetable seed. Future challenges include lessening its dependence on captive markets; drawing family members of its small-producer affiliates, especially women and older children, into the production process; improving quality control in the production process; and addressing the issue of environmental protection.



3

CATHOLIC
RELIEF
SERVICES



ECUADOR



AN UNCOMMON COMMUNITY EFFORT IN THE FOOTHILLS OF CHIMBORAZO

In accordance with the cosmogonic beliefs of many Indian tribes inhabiting this region of the Andes, water was the first concern. Once the campesinos of Calpi successfully installed the irrigation systems that would ensure their source of food, they began to address the issue of agricultural productivity. This effort was, in turn, followed by the provision of credit through the mechanism of village banks. Behind this development, acting as the principal driving force, were the women of the village of Calpi.

Ecuador's Chimborazo province is tucked into the central mountain range of the Ecuadorian Andes, whose spectacular peaks include Chimborazo, a 20,700-foot-high volcano on whose slopes, 11,550 feet above sea level and not far from the city of Riobamba, lies the village of Calpi.

Seventy-two percent of Calpi's inhabitants live below the poverty line. The increasing deterioration of living conditions is marked by a sharp decline in family diet, lack of medical care, increased migration, unemployment and a rapidly accelerating decrease in family income.

Calpi's exclusively agriculture-based economy follows a traditional subsistence model, in which any surplus after household consumption is earmarked for sale at local fairs and Sunday markets, at prices lower than those prevailing nationally.

This area has suffered the effects of an intensive process of minifundización (fragmentation of farmland into

small or "dwarf" holdings) for agricultural subsistence production – primarily potatoes, barley and lima beans. Many farms consist of less than two hectares, and these small farms are interspersed with fallow communal lands that have become increasingly eroded and degraded.

Livestock activities consist mainly of sheep and goat production, with very little in the way of larger species such as cattle. The inhabitants of some campesino communities also engage in guinea pig, swine and poultry production. In all cases, however, productivity is exceedingly low, owing to the lack of technical assistance in livestock care and feeding. Contributing to the low productivity is a conspicuous lack of production infrastructure, ranging from the almost total lack of water for irrigation to the absence of technical assistance in crop management and commodity marketing, all of which creates disparities in the planting and harvesting periods, which in turn lead

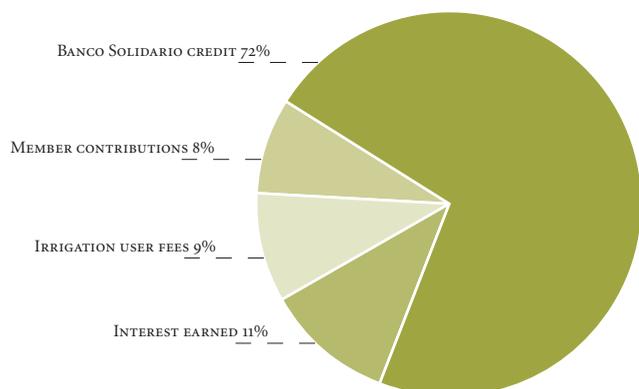
to disadvantages and low prices for producers.

As a result of these conditions, *campesinos* (a term used throughout Central and South America that roughly means "peasant" or small-scale farmer) find themselves negotiating from a position of weakness with the intermediaries who control local markets, with no effective alternative to selling their products at low prices and purchasing food and production inputs at high prices. If the living conditions of these families are to be improved, the volume of water available for irrigation must be increased to enhance the profitability of farms operated by Indians and *campesinos*.

OBJECTIVE: FOOD SECURITY

Catholic Relief Services (CRS), an international assistance organization, was founded in 1943 by the Catholic bishops of the United States, essentially as an extension of the campaign

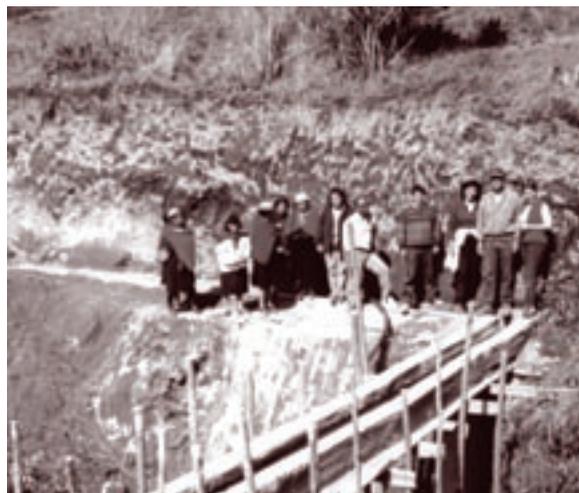
FIGURE 1.
Capitalization Structure



launched by the U.S. Catholic community to aid World War II refugees. It was subsequently transformed into a movement aimed at alleviating human suffering and promoting charity and justice throughout the world. CRS, which aids poor communities outside the United States without regard to creed, race or nationality, supports actions aimed at overcoming poverty by implementing integral programs whose activities might include, for example, agricultural development, microfinance, education, addressing the HIV pandemic, developing a culture of peace, and disaster and emergency prevention and relief assistance. CRS serves communities in more than 85 countries of Africa, Asia, the Middle East, Eastern Europe, and Latin America and the Caribbean, and has been working in Ecuador since 1955 to improve the status of thousands of poor, primarily indigenous,

families through direct interventions, partnerships and associations with local institutions.

In 1989, CRS supported the creation of *Fundación Género, Solidaridad y Desarrollo* (Foundation for Gender, Solidarity and Development) to serve as its implementation entity in the Chimborazo area. The Foundation consists of a group of local professionals and technical personnel who are trained in the use of participative methodologies and share CRS's vision and spirit of solidarity. As one of its strategic objectives for the period 1998 through 2000, CRS aimed to strengthen the food security of poor families that had been particularly hard hit by the economic crisis affecting Ecuador. A priority objective of this effort was the development of women as supporters and protectors of their families' survival.



To achieve this objective, CRS implemented three closely interrelated program interventions: (i) an agriculture program, with particular emphasis on increasing the productivity and sustainability of the family agricultural production system; (ii) a series of health interventions; and (iii) a microenterprise development component based on the village bank methodology. Work in these areas was to be carried out in collaboration with local organizations that included the dioceses of Ambato and Latacunga, *Fundación Acción Social de Cáritas de Santo Domingo de los Colorados* (Cáritas Santo Domingo de los Colorados Social Action Fund), *Promoción Humana de Guaranda* (Guaranda Human Promotion), and *Fundación Género, Solidaridad y Desarrollo*, all of which were to be responsible for project follow-up and subsequent replication.

Working in collaboration with campesino organizations in the Chimborazo area,¹ CRS submitted a funding proposal to the Inter-American Development Bank in 1998 to increase the availability of water in the Chimborazo and surrounding areas.

The concept was simple, consisting essentially of refurbishing the infrastructure of nine small existing irrigation systems with a combined length of 46.8 kilometers in primary channels and 29.6 kilometers in secondary channels, and building reservoirs to store water during the rainy season. It was estimated that the project would increase the volume of water available for irrigation to 170 liters/second, benefiting more than 800 families. In addition to contributing their own labor to implementing the project, these families would pay a water use fee to cover the system's operating and maintenance costs. System administration would be the responsibility of a community water board, under the oversight of the Sierra-Centro Corporation. To ensure that families would be able to pay the fee, they would receive support in the form of credit to strengthen their production activities.

IMMEDIATE ACHIEVEMENTS

The project approved by the IDB in 1998 included US\$220,000 for irrigation infrastructure work and

US\$280,000 to support activities aimed at improving and diversifying agricultural production and marketing. The support activities were designed to achieve the following goals:

- Improve agricultural productivity through training and technical assistance activities and the establishment of demonstration plots. The technology to be transferred would consist of a combination of ancestral techniques and new technologies developed at the research centers of Ecuador's National Agricultural Research Institute (known by its Spanish acronym, INIAP).
- Support the land titling process.
- Provide credit in support of new production, business and service activities to be carried out by women of the community. Credit would be provided using the village bank methodology, for which purpose a "seed fund" would be established with an initial capitalization of US\$20,000 provided by the IDB and US\$20,000 provided by CRS. These resources would be administered by Banco Solidario, a first-tier microfinance institution

By late 2001, the community could point to the following achievements:

- Refurbishment of 15 irrigation systems, with an increase of 327.5 liters of water per second in water flow benefiting 1,225 families in 22 communities, and the installation

of a sprinkler-based irrigation system for 250 families. The social control exercised by community organizations (which produced significant savings in the cost of materials purchased) and the extraordinary level of campesino mobilization (which provided labor through the *mingas* system²) were key to expanding the initial objective and recovering investments. Women took a leadership role in this process to ensure that all families – in particular, all irrigation users – would fulfill their commitments.

- Reactivation of the productive base as a result of using early maturing and resistant varieties of potato seed, producing yields 350 percent greater than historic levels, and the adoption of a production strategy based on community modules, which represented a radical change from the traditional model. In the new system, each community designates an administrator, who is paid for his or her services at the conclusion of the harvest season.
- A 100 percent increase in livestock production through the installation of 15 modules for livestock breeding. Improved stock was delivered, and families were trained in appropriate livestock management through a program by veterinarian promoters operated by the *campesinos*.

In the area of marketing, results have been meager, owing to the fact that

production is cyclical (which prevents participation in year-round markets), volume is small, and product quality is inconsistent.

Community organizations played a major role in securing legal title to parcels of land occupied by 526 families. Project personnel requested and obtained a 50 percent reduction in the cost of land appraisals and lobbied successfully for the adoption of a long-term policy calling for the decentralization of titling processes to local affiliates of the National Agricultural Development Institute.

By far the most significant component of the project was the credit program, not only in terms of the efficient management of the loan portfolio but also because the program called attention to and strengthened the role played by women in their communities. Through their participation in village banks, women legitimized their role, strengthened their organizations and made significant contributions toward improving living conditions for their families. These women-administered village banks represent an opportunity to increase family income and at the same time facilitate women's participation in decisionmaking at both the community organization and family levels.

In the *campesino* communities of the village of Calpi, 13 village banks are currently in operation, with a total of 701 women members and a portfolio of US\$80,000 in loans granted. The

banks are supervised by a *campesino* coordinating committee elected by the women. Credit program funds are administered by Banco Solidario, which provides loans to the village banks at market interest rates.

With the income received on village bank capital, the communities have installed a family welfare plan to provide free health care to children under age five, as well as to the elderly and disabled.

The CRS project is an excellent example of how to overcome a crisis for subsistence farmers characterized by the combination of poor soil resulting from a lack of water, use of traditional farming methods, poor-quality seeds and scant access to technology. This bleak situation for the indigenous families of Calpi was turned around initially through an irrigation project that greatly improved soil conditions. The women of the village took the lead in ensuring that construction work on the irrigation projects was properly carried out and that the credit program achieved its goals of improving family and community life. The positive results of this project are continuing to unfold in the 21st century, in the foothills of Chimborazo, thanks to the vision and effort of many.

¹ Nitiluia, San Francisco, Chanchuan, Asunción, Palacio Real, Calpi Loma, Nuncata Calpi, La Moya, San Bernardo and Bayubug.

² In the Quechua tradition, a *minga* is a gathering of friends and neighbors to carry out a mutually beneficial project.



FUNDACIÓN INDÍGENA
PARA EL DESARROLLO
AGROPECUARIO

4



PARAGUAY



In a region characterized by conflict, scarce natural resources, and impoverished inhabitants – the majority of whom are indigenous – a group of foreign immigrants with a strong work ethic and sense of community are collaborating with indigenous groups to create production systems that give them independence and well-being.

THE RECONQUEST OF THE CHACO

Paraguay is nearly cut in half by the river of the same name, which divides the territory into two large areas. To the west is the Chaco, an inhospitable territory mainly characterized by salt flats and its nearly complete dependence on irrigation water. Despite an average annual precipitation level of 750 to 1,000 millimeters, high temperatures cause the summer rain to evaporate quickly. To the east of the river is modern Paraguay, with broad expanses of land suitable for multiple crops and favorable climate conditions that enhance the international competitiveness of its primary production in some areas. Nevertheless, it is a country with high poverty rates, especially among the indigenous population, in particular in the Chaco.

The indigenous population in Paraguay is estimated at more than 85,000, and belong to 17 ethnic groups with five linguistic families. The idiomatic structures of these linguistic

families are similar, complex and musical. The Jesuits who established their famous missions there found the Guaraní language so beautiful that they called it the Latin of America.

During the second half of the nineteenth century, Paraguay endured the Triple Alliance War (1865–1870) against Brazil, Argentina and Uruguay. Once the bloody conflict was over, the process of reconstructing the country had devastating effects on the indigenous population. The government, eager to attract capital and foreign investment, declared all land without owners—including land occupied by ethnic groups—to be state property and sold it to foreign corporations, primarily Argentinean and English, for cultivating Paraguayan tea, raising cattle and developing extractive industries. In 1910, large foreign landowners held 29 properties in the Chaco with a total of more than 100,000 hectares. In both the Chaco and the eastern region, indigenous people began to

work as wage earners, and many were practically slaves. Initial indigenous resistance was calmed primarily by Anglican missionaries. Ethnic groups that had made their living through harvesting and hunting became sedentary and more and more dependent on the monetary economy to ensure their survival.

During the first half of the 20th century, Mennonite missionaries from Canada and Europe settled in the Chaco and established agricultural communities where indigenous people continued to work as wage earners as their dependency deepened. In 1921, the Paraguayan government granted land in the Chaco to the Mennonite community under the Colonization Law. The community achieved rapid development, thanks to foreign donations, the introduction of sophisticated agricultural technology and the hiring of cheap labor, and they transformed the Chaco into the principal producer of dairy products

in the country. Employment opportunities and the access to free education and health services that the Mennonites offered produced a mass migration of indigenous populations from marginal areas to the center of Paraguay.

AFTER THE STORM: CREATION OF THE ASCIM AND FIDA

But progress in the region would have to wait, given the conflict over the Chaco between Bolivia and Paraguay, which lasted three years. The war ended in 1935 with a lasting peace successfully mediated by Argentina, which clearly established that the region belonged to Paraguay. A decade later, after the end of World War II, a second wave of Mennonites arrived in the country as refugees, who founded the communities of Neuland in the Chaco and Volendam in the San Pedro department, in Eastern Paraguay.

With its community established and consolidated, the Chaco Mennonite community purchased 110,000 hectares of land from the Paraguayan government to settle the impoverished indigenous communities that lived around it. To accomplish this, the community created the *Asociación de Servicios de Cooperación Indígena Menonita* (Paraguayan Mennonite Indigenous Cooperation Association,

Spanish acronym ASCIM), an affiliate of the Mennonite Central Committee, as an institutional tool through which support for indigenous people would be channeled.

The ASCIM works with some 15,000 indigenous people to whom it provides services related to land titles, commune organization, education, health and agricultural advice. Its programs are funded with support from the international and local Mennonite community as well as the Paraguayan government, which contributes nearly 30 percent of the resources.

To confront the exclusion and material poverty of the indigenous people, worsened by the increasing loss of their traditional ways of living and the ensuing cultural alienation, the ASCIM brought about the creation of the *Fundación Indígena para el Desarrollo Agropecuario* (Indigenous Foundation for Agricultural Development, Spanish acronym FIDA) in 1997. FIDA consists of the 12 indigenous farming communities that originally received support: *Nivaclé Unida, Enlhet Yalve Sanga, Pozo Amarillo, La Esperanza, Nueva Promesa, La Armonía, Paz del Chaco, Nicha Toyish, Campo Largo, Casuarina* and *Campo Alegre*.

FIDA is headquartered in Yalve Sanga, and its operations cover a 90-kilometer radius. In addition to assisting the indigenous communities with an agricultural and livestock

expansion program, which includes providing supplies, credit, technical assistance to improve management of the production units and marketing of production surpluses, the entity is an important vehicle for strengthening cooperation among the indigenous groups.

FIDA dedicates a large part of its efforts to promoting the interests of native women through training in areas such as dressmaking, spinning, processing and preserving food and marketing craftwork. FIDA also urges its members, traditionally hunters and harvesters, to become sesame exporters and cattle producers. As a result, the communities now have more than 12,000 hectares of pastureland on which 12,000 cattle are raised and fattened. FIDA is also promoting the production of cotton, beans, peanuts, castor beans and other products by indigenous people. Florentino Caporale Nivaklé is the president of the entity headquartered in the Yalve Sanga in the Boquerón department.

NEW PUSH

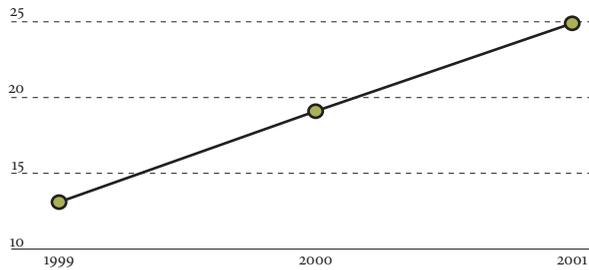
In 1998, FIDA submitted a proposal to the Inter-American Development Bank to finance a project designed to recover the culture and sense of belonging to their own habitat among the indigenous communities of central Chaco that are members of FIDA.

Through the project, 155 indigenous families would attempt to obtain food security through an improved herd of livestock and the production of milk and meat for their own consumption, as well as the expansion and diversification of family vegetable gardens. They would then market their surplus production and use the income generated to purchase basic foods not available on the land. As part of the strategy, the project would also drive the institutional strengthening of FIDA and its 12 indigenous member communities.

The Bank approved the US\$755,000 project. The bulk of the funds, US\$500,000, were intended to establish a credit fund to purchase livestock and to build the necessary infrastructure. The remaining US\$255,000 consisted of nonreimbursable technical cooperation and was invested in training women and youths in production techniques and management of family and community vegetable gardens, as well as in training FIDA technical and administrative staff.

In 2000, a prolonged drought in the summer and unusual frosts in the winter had an adverse effect on the indigenous communities, and they had to alternate agricultural work with wage-earning work not related to the land to obtain the minimum food their families needed. This

GRAPH 1.
Change in Income through Sale of Services



event changed the timeline originally planned for the Bank's project.

Notwithstanding this adversity, some communities have made the following achievements:

- Beginning of the land title process for land that is still not legally owned by FIDA member communities. A significant portion of the land title cases concern land acquired by the ASCIM and then transferred to the indigenous groups.
- Provision of 12,000 hectares of pastureland to raise a herd of 12,000 cattle. In central Chaco, the market value of land with brush is several times lower than its price after pastures are sown and other improvements are made. This is the case only on farms that are being cultivated and supervised so as to prevent the re-growth of weeds and natural brush, a process that is detrimental to production capacity.
- In each 100-hectare unit, preservation of 25 to 30 percent of the area as indigenous brush to guarantee an appropriate environmental balance. Also, breakwaters and their irrigation feeder ditches have been located in such a way as to complement the slope of cleared areas and thus prevent erosion. Similarly, care has been taken to ensure that access roads and trails do not hinder the flow of rainwater, so as to preserve the natural drainage structure
- Introduction of the solidarity group lending methodology for channeling credit. This structure is particularly appropriate for the culture of the indigenous communities of central Chaco, where they consider individual interests equal to community interest. These ethnic groups are accustomed to sharing material goods, so it is not strange for them to ensure that common interests prevail over the interests of individuals. The 155 members of the

communities participating in the project, organized into 31 groups, are receiving credit for fencing off and building corrals and for the initial herd of livestock.

- Availability of appropriate and timely technical assistance. This assistance is provided for activities such as fencing, clearing, water facilities, monitoring health and managing the livestock herd (vaccination, castration, branding).
- Marked and sustained increase in their income through the sale of services. This is proof of their acceptance among the participating communities.

In addition to the services that the indigenous communities receive within the scope of the project, the complementary situation between FIDA and the ASCIM allows the communities access to credit for the marketable crops of cotton, castor beans and sesame, as well as for fuel, the shipment of goods, a fleet of road equipment and a plant nursery. These benefits have been achieved in a short period, which has made it possible to create a feeling of hope in the communities of the possibility of improving their living conditions, leading in turn to their commitment and recent efforts to create new farms.

WHO ARE THE MENNONITES?

Paraguay is home to approximately 30,000 Mennonite European and North American immigrants and their descendents. The evangelical Mennonite faith originated in the Catholic Church Reform in Switzerland in the 16th century. A small group of educated and very prominent men, unhappy with the changes introduced by Luther, Zwingli and Calvin, decided to introduce baptism based on conscious faith, the principle of pacifism, the refusal to fight with weapons and the separation of church and state. As a result, they were persecuted relentlessly, and soon they were dispersed throughout Europe. In Holland, a former Catholic priest, Menno Simons, converted to this new movement, united and organized these "dispersed sheep" and formed a religious congregation, which would later be known as "Mennonites" in honor of its founder. The migration of Mennonites, which began in the 16th century, brought many to Paraguay, where they penetrated difficult and often inhospitable land to farm and develop it. This preference for rural life and isolation created great cohesion and group spirit among the Mennonite communities.



5

ASOCIACIÓN DE
PRODUCTORES
AGRÍCOLAS Y DE
COMERCIALIZACIÓN



COSTA RICA



ORGANIC SOLIDARITY

Defending tradition is not always a good thing, as coffee producers in Costa Rica and other countries in the region have learned. Faced with the crisis caused by a drop in coffee bean prices, the *Asociación de Productores Agrícolas y de Comercialización* (Apaco, or the Agricultural Producers and Marketers Association) bet on diversification and incorporating nontraditional fruit crops, which benefited producers, their families and the environment.

Costa Rica, known throughout the world as an oasis of calm in Central America, is characterized by its natural beauty, a strong democracy and a stable economy based on tourism, power generation and traditional agricultural activities (coffee and bananas), which support more than 53 percent of the population. Although poverty has been reduced substantially in the past 15 years, serious inequalities persist in the distribution of income, to the particular detriment of rural communities, which historically have suffered high levels of poverty and marginalization.

Low coffee prices and the overabundance of bananas have seriously affected the agricultural sector, and it lacks adequate financing and technology to deal with diversification through the nontraditional products for which the country's climate is exceptionally well suited.

The population of the Los Santos area has traditionally dedicated itself

to the single-crop farming of coffee, but the drop in international bean prices plunged it into deep economic crisis. Both the buying power and the cash flow of family farms were seriously affected. As a result, they sought alternative ways of generating income, one of which was emigration to the United States and Canada. More than a few Costa Ricans in search of the American dream welcomed this alternative. As families were disintegrating, though, production units fell into a state of abandon and underutilization.

The Los Santos area includes three cantons: Dota, Tarrazú and León Cortés. The last is the most dynamic because it lies along the route that colonizers had to travel to get from the low part of the Desamparados region to Pérez Zeledón and its center of development, San Isidro. León Cortés is located 60 kilometers from San José at an altitude of 1,600 meters, and its climate is influenced by the Pacific Coast. Its average temperature varies

between 18 and 26 degrees centigrade, which makes it especially attractive for tourism. The population of 11,940 is distributed among 24 small villages or hamlets.

COMPLETE PACKAGE

In the mid-1990s, *Asociación de Productores Agrícolas y de Comercialización* (Agricultural Producers and Marketers Association, known by its Spanish acronym, Apaco) began to promote the organic and integral farming of fruits such as avocados, blackberries, sugar apples, passion fruit and citrus. This way the community attempted to overcome two problems arising from coffee growing: single-crop farming with the consequent inadequate management of soil, and the excessive use of agrochemicals.

Apaco was established in 1986 by 82 producer members in the area with the purpose of raising the



standard of living of the families and contributing to protecting the environment. From its inception, the association has supported small producers in the region. Its ability to create confidence and legitimacy in the community stems from the quality and opportunities of the services it provides, but also from the fact that its managers and its customers are peers. The majority are peasants with land inherited from their ancestors that they dedicate to dairy pastures.

Apaco's efforts to change some traditional practices that are harmful, as well as its contribution to improving the environment, have earned it the support of large funding organizations. In 1994, the Inter-

American Foundation financed a nursery of fruit and timber-yielding trees for Apaco, which today are part of Apaco's regular services. With funds from the *Asociación Costarricense de Desarrollo* (Acorde, the Costa Rican Development Association), Apaco initiated a credit program in 1994 with US\$200,000, which by 1999 had grown to US\$300,000 through the addition of earned capital. In addition to the nursery and the credit program, Apaco used its own funds to provide stockpiling and marketing services for passion fruit, sugar apples and avocados, and it has established an agricultural equipment and supply store.

In 2000, Apaco submitted a US\$460,000 project request to the Inter-American Development Bank (IDB) directed toward consolidating the region's agricultural diversification process, which had been initiated with the support of the Costa Rican National Development Plan. The program was specifically focused on expanding and strengthening the services that Apaco provided to more than 650 small farmers from the six districts of the León Cortés canton (San Andrés, San Antonio, Santa Cruz, San Isidro, San Pablo and Llano Bonito) and the neighboring cantons of Desamparados and El Guarco. The decision to approve this project combined two major aspects. One was the institutional soundness of Apaco,

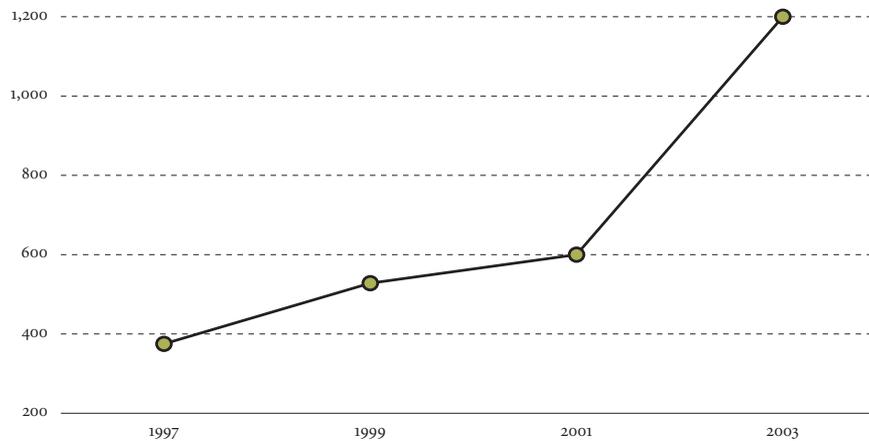
its recognition and its presence as an important player in the development of the canton. The other was the financial strength that Apaco displayed by responsibly growing the credit fund and presenting a 21.6 percent return on capital. For the IDB, these indicators placed Apaco among the cooperatives and associations (known as the solidarity sector) that were not facing financial problems, and at the same time guaranteed viable performance over the medium term.

With the funds obtained, Apaco tried to expand its credit portfolio, reinforce the operation of the stockpile center and marketing activities and provide technical assistance and training in the areas of production, soil management and organic techniques. The project also had an institutional strengthening component in the form of specific actions designed to consolidate Apaco's technical, management and administrative aspects and achieve its economic and financial sustainability.

PERSONALIZED RELATIONSHIP

Since the IDB approved its request for funds, Apaco has transformed the program into an attractive option for the area's agriculture market, thanks to its deep knowledge of its customers and its efforts to consolidate its position. The timely credit, the

GRAPH 1.
Change in Assets 1997–2003



Between December 2000 and June 2003, Apaco's loan portfolio increased by 154 percent and its assets by 101 percent.

appropriate technical assistance and the focus on marketing that opened new markets for nontraditional products not only put an end to the harmful practices derived from coffee farming, but also contributed to great improvements in families' quality of life and reduction of people's migration to other countries in search of employment.

It is estimated that 75 percent of the producers who participate in the program have incorporated organic technologies into managing their fields, thanks to a package of training, technical assistance and visits to farms that include post-harvest handling, the use of organic fertilizers, and soil, leaf

and water analysis. The farmers say that without this support the quality of the agricultural management would be at serious risk and the monitoring of the fields and the quality of the nurseries would be suspended, causing their decline as well as adverse consequences for productivity and the technological progress made.

Between December 2000 and June 2003, the Apaco credit portfolio grew 154 percent and its assets 101 percent. On average, each producer received us\$2,465 in credit. The actual delinquency (or arrears) rate is 3.38 percent.

More than 83 percent of Apaco's customers believe that the service

is good, that it is appropriate for their needs and that, in comparison with other banking-type entities, the program has achieved greater speed in processing, continuity throughout the entire year, easy payment terms related to borrowers' ability to repay and a personalized relationship in which people are treated almost like family—all of which encourage the user to keep their credit balance.

With the support of the IDB, Apaco has grown stronger as a diversified agricultural company and will have a greater reach in the future, thanks to improvements made in credit management and in technical and administrative aspects. This record has

earned Apaco a leadership position among its peers, with regional, local and national recognition.



PRODUCTORES
AGROPECUARIOS DE LA
SELVA LACANDONA S.S.S.

6



MÉXICO



FROM THE JUNGLE TO THE GLOBAL MARKET

**“Before the IDB came here,
we had only a storage
shed and practically
nothing else.”**

Miguel Pérez
IDB Americas Magazine, Vol. 3, No. 1.

Miguel Pérez stopped growing coffee six years ago, like many other small indigenous farmers from Xaquilá, a rural hamlet in the Mexican state of Chiapas. It was becoming more and more difficult for them to earn a living with this traditional crop, since prices had dropped over the past decade to the lowest levels in a century. For this reason, Miguel and several of his colleagues in the cooperative *Productores Agropecuarios de la Selva Lacandona* s.s.s. (Agricultural Producers of the Lacandona Jungle, Ltd.) decided to try their luck with honey.

Forty-nine percent of the country’s indigenous people live in the southeastern states of Mexico. The largest groups are the Tzeltals, Tzotzils and Mayan Chols in Chiapas, the Mixtecas and Zapotecas in Oaxaca, and the Nahuatl in Guerrero. These communities carry out traditional subsistence agriculture activities and occupy vast regions where no transportation is accessible, which affects both the availability of services

and access to the markets. The principal economic activities, coffee growing and cattle raising, have very low productivity and profitability levels, and better nontraditional alternatives have yet to be developed.

Chiapas, the poorest state in the country, has the lowest social welfare and economic indicators of all the Mexican states. This situation is even more severe in its internal areas, especially in the Los Altos, Norte and La Selva regions, where the land ownership structure shows 116 large coffee growing units, each more than 100 hectares, and innumerable small plots less than five hectares in size.

Despite restrictions that limit agricultural development, the region’s rich natural resources and biodiversity, including abundant, diverse and high-quality flora that have not been treated with chemical fertilizers, suggest great possibilities—hence the recognized prestige and wide acceptance of honey from the Lacandona forest, both in and outside the country. This honey has

a large capacity to absorb moisture, a property in high demand by the large-scale bread and pastry industry. It also has a fine aroma and delicious taste.

THE BIRTH OF A PEASANT COMPANY

In 1992, a group of approximately 60 indigenous producers from the Chol, Tzeltal and Tojolobal ethnic groups from eight rural communities from the northern region and the Chiapas forest decided to collaborate on diversifying their agricultural activities, adding beekeeping to the traditional coffee farming, thanks to the support of a government program that provided them with their first beehives. The initial idea was to collaborate on the collection and marketing of the honey. After the first step, they needed to organize to be able to work with the local and national authorities. Therefore, in 1993 the *Productores Agropecuarios de*

la Selva Lacandona, s.s.s., a nonprofit rural collective labor union with a social approach, emerged.

The cooperative was created with the mission of consolidating a rural company that was able to sustain itself with the work of its members in order to give them a better social and economic way of life. Its objectives include the following:

- Benefiting members by marketing their products through direct sale, thereby eliminating intermediation.
- Reaching local, national and international markets.
- Improving the socioeconomic conditions of the members.
- Improving the producers' knowledge of handling their apiaries and crops through continual technical assistance and training.
- Obtaining organic certification of the honey and coffee production.

In 1995, with the support of the Social Development Secretariat (Spanish acronym Sedesol), the cooperative built its own storage shed in the Ocosingo municipality, which permitted storing of the honey produced. In 1997, 180 members were registered from the Ocosingo, Chilón and Altamirano municipalities, with more than 1,700 hives and an annual production of 80,000 kilos of honey.

During these initial years, the company sold honey in bulk, unprocessed, which greatly limited the

producers' profit margin. The average production per hive was still much too low to cover the costs of investments that would enable the company to capture more value added and to target export markets. The absence of new technologies and improvements in handling hives were at the root of the problem.

Honey, for both the domestic and foreign markets, is marketed in two forms: bottled or in bulk. In bulk form, the honey is either unprocessed or processed (involving filtration, homogenization and sedimentation). In general, the majority of small producers or small companies like Sociedad de Productores de la Selva Lacandona sell honey in bulk and unprocessed to intermediaries or bottlers, who in turn homogenize the honey, and place their brand name on it.

In 1998, the Max Havelaar development company, which represents a coalition of European consumer organizations, granted honey from the Lacandona forest the certified status of organic honey, which means that it comes from plants that have not undergone any treatment with chemicals or fertilizers for a minimum of the three preceding years. This certification opened the doors to the export market for the cooperative, a cherished dream of the producers from the beginning. Demand for organic honey is growing, principally in Europe.

GROWING AND CONSOLIDATING

Having acquired some experience, and having demonstrated its management skills and future potential, that same year the producers association submitted a US\$627,000 financing proposal to the Inter-American Development Bank (IDB), with the principal objective of making efficient use of the comparative advantages and honey production potential offered by the plants of the Lacandona forest. The intention was to revive beekeeping activities through a comprehensive development program designed to improve productivity, to increase the production and income of the producers and their families and to consolidate the cooperative company.

To meet these objectives, it was proposed that improvements be introduced in three areas:

- Acquisition of new hives and incorporation of those hives in the production process, increasing the number from an average of 10 to an average of 30 hives per producer. Thirty is the minimum number of units required to form an individual apiary to ensure permanent utilization of the investment. In addition, the producers would receive personal protective equipment and training.
- Provision of a processing plant, introducing equipment for

filtration, homogenization and sedimentation, setting up extraction rooms and installing a queen bee production unit. The objective was to introduce value added to the production, principally through the homogenization process. The ability to reduce viscosity and add fluidity would make it possible to standardize the portions of honey coming from different producers.

- Strengthening of the technical, management and administrative aspects of the company. It sought very specifically to strengthen the capacity to provide assistance to the producers in the field so that byproducts such as propolis, wax, royal jelly and pollen could be used.

With technical assistance from the *Unión Regional de Ejidos de la Costa Chica* (Costa Rican Regional Public Lands Association) from the state of Guerrero, an organization that also received funding from the IDB to carry out a beekeeping project, the company installed its homogenization plant and honey bottling plant. The plant has four sedimentation vats and two vats for homogenization and filtration, which represents a processing capacity of 50,000 kilograms of honey per month.

At the same time, and with the financial support of the Rural Development Secretariat of the Chiapas State Government, an area was built in the plant that is equipped

with a semiautomatic train for bottling honey in six different shapes of polyurethane bottles, an automatic labeler and a decrystallizer with the capacity to process 300 liters of honey per day.

Obviously, the installed capacity of the plant greatly exceeds the current production of the cooperative's members, which is approximately 250 tons annually. This means that the organization has the fixed assets necessary to handle the future demand for products with greater value added.

Two factors account for this underutilization of the installed capacity. One is that honey production in the field is restricted. The other is that output per hive is decreased because the high number of apiaries in the area have saturated the market. The cooperative is making efforts to increase the unit output of the approximately 200 apiaries in production. It is using an integrated technical structure run by specialized professionals and outstanding producers with advanced skills and technical knowledge of handling apiaries.

REGISTERED TRADEMARK AND GREATER VALUE ADDED

The cooperative registered La Cañada® as its own brand for marketing bottled

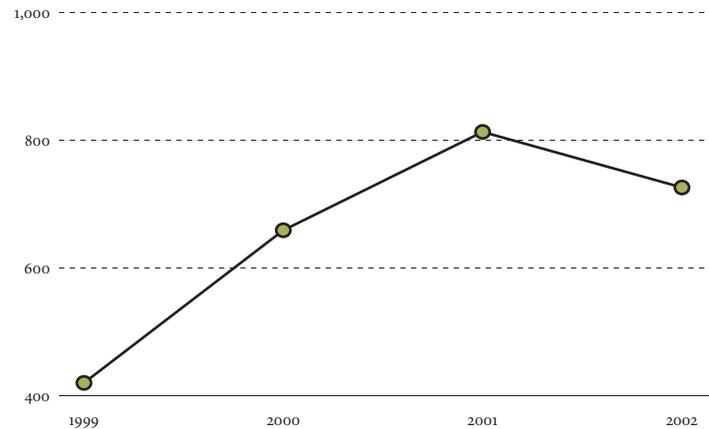
honey and its by-products including shampoo, soaps and honey, royal jelly and pollen-based food supplements and syrups for medicinal use.

The cooperative's current marketing strategy is to concentrate the sale of bulk honey exclusively in the European market and keep the bottled product for the national market, where price is a substantial advantage. The cooperative has a large demand for organic honey from independent European buyers, in particular Germans and Italians, and within the fair trade market.

As a result of the strategy it has adopted and improvements in the international price of honey, the cooperative obtained a better market price, with increases of more than 50 percent for the 2002 harvest. It now hopes to place its brand name in stores and supermarkets throughout the world, and also to identify more and better opportunities in the domestic market. The cooperative is currently supplying honey packaged in individual plastic tube-shaped packets for use in the public school lunch programs.

The primary threat the cooperative must address is the low production capacity, which has significantly affected the company's financial results. This low capacity is a result of climatic and phytosanitary disasters as well as of inadequate care of the apiaries by some

GRAPH 1.
Asset Development 1999-2002



members. In addition, the excessive current expenditures arising from simultaneously performing numerous production activities puts the assets at risk and reduces the liquidity required to deal with the honey collection and producers' needs.

Nonetheless, the organization has developed a large institutional capacity sustained by its physical infrastructure, the skills of its managers, its broad social base and a permanent effort to improve its products. These assets have enabled it to establish strong commercial relationships and successfully insert itself in the national and international markets.

FUNDACIÓN
PROYECTO PARIA

7



VENEZUELA



What began 15 years ago as the social component of a tourism investment program has become an ambitious production project that seeks to involve 1,500 cocoa producers on the Paria Peninsula, one of the poorest regions of Venezuela.

Playa Medina is a small paradise on the Paria Peninsula, on the Caribbean coast of Venezuela. It was there that Corpomedina, a company dedicated to tourism since the late 1980s, launched a tourism project intended to make the most of the area's natural beauty. This initiative also had a strategic component aimed at improving economic and social conditions in the local communities, from Vuelta Larga, Agua Dulce, Paraíso, Medina, Chaguarama de Sotillo and Puipuy to Río Caribe, the capital of Arismendi municipality in the state of Sucre. The area comprises small rural villages that are isolated from urban centers and lack social services and basic infrastructure. The inhabitants pursue subsistence agricultural activities. Illiteracy prevails and disease is endemic; for example, in 2002, 58 percent of the malaria cases recorded in Venezuela were in the state of Sucre. In short, although it is rich in natural beauty, the peninsula is one of the poorest areas in the country.

LIKE WATER FOR CHOCOLATE

The conditions that prevail on the Paria Peninsula require that any tourist development project combine economic, social and ecological elements. Thus, the entrepreneurs of Corpomedina created a philanthropic organization, *Fundación Proyecto Paria* (Paria Project Foundation), in 1989, to help improve the adverse conditions affecting the lives of the area's inhabitants. Located in Río Caribe and closely connected to the Corpomedina tourism project, the foundation began its social action and community assistance program in 1990 through the direct transfer of goods and services in areas such as health, education, agricultural development and housing, with a strong emphasis on conservation and preserving the cultural heritage.

Unfortunately, the first signs of the economic, social and political crisis that would affect Venezuela in the late 1990s had a profound impact on Corpomedina, to the extent that it had practically stopped operating

in the area by 2000. The company substantially reduced its contributions to the foundation, which had to find other means to ensure its survival.

FROM THE ROOT

In 1997, the Paria Project Foundation revised its bylaws and declared its principal objective to be "to improve the standard of living of the population of the Paria region of the state of Sucre by creating and supporting projects and activities that contribute to the development of the region and progressively satisfy the economic, social and cultural rights of the population, in harmony with the natural environment and with the active participation of the local players."

Since then, the foundation has promoted local development and complemented its efforts in education and community health with economic activities, primarily



the revival of cocoa farming. Its proposal, based on close collaboration between the regional government and the communities involved, is intended to benefit the more than 50,000 inhabitants of the region by promoting economic initiatives that increase the value of local resources (in this case, cocoa); encouraging coordination among community organizations, the public and business sectors; and stimulating the creation of a new collective identity while reclaiming the local culture and promoting grassroots social organization. The foundation focuses on three program areas:

- *Support for rural primary schools*, with the objective of increasing enrollment in the rural primary education system and improving conditions for caring for children and youths and keeping them in school.
- *Support for primary health care*, with the objective of improving the

health of children, adolescents and mothers in poor rural and urban populations.

- *Support for family and local economies*, with the objective of improving economic production as well as the social and organizational capacity of the population.

A SWEET SMELL

In keeping with its new vision of development, the Paria Project Foundation has focused on revitalizing cocoa-related activities.

From the mid-nineteenth century through the 1920s, Venezuela was the world's largest cocoa producer, with annual exports exceeding 20,000 tons. After that, the country's cocoa production declined, principally as a result of the reorientation of the Venezuelan economy toward petroleum. In the 1960s, cocoa exports had dropped to approximately 8,000 tons annually.

This change in the nation's economy caused a sharp decline in cocoa production among small farmers, and because price differentials did not exist, there were no market incentives for producers, which affected the quality of production. This situation was worsened by the policies of the organization that functioned as a central bank for cocoa, Foncacao, which bought the production without any selections or processing.

Nevertheless, Venezuela maintains a competitive advantage in producing quality cocoas, with crops concentrated in the states of Sucre and Miranda. The traditional production practices yield an almost 100 percent organic cocoa, which is highly preferred in international markets. Along with Ecuador, Venezuela is responsible for 80 percent of the global production of aromatic Criollo cocoa, which has a lower acidity that makes it particularly well suited for baking and fine chocolates.

On the Paria Peninsula, cocoa was the basis of a very prosperous agricultural export economy well into the 1930s. Today, the peninsula is one of the poorest regions of Venezuela, where some 4,000 small cocoa producers survive with less than an average of three hectares in production.

In an attempt to remedy this situation, the Paria Project Foundation supported the consolidation of five associations that represent some 450 small cocoa producers from the Arismendi municipalities of Acepagua, La Concepción, Chacaracual, Caratal, Pui-Puy and Aprocaben.

With the purpose of contributing to improving the living conditions of the cocoa communities of the Paria Peninsula, the foundation submitted a proposal to the Inter-American Development Bank (IDB) for US\$250,000 in 2000 to introduce corporate criteria into the process of

producing, processing and marketing cocoa. The funds would be used to strengthen producer associations; provide technical assistance with technologies to renovate and rehabilitate cocoa plantations for members of the associations; provide legal support for the process of regularizing land ownership titles in order to facilitate access to bank credit; set up a cocoa marketing and processing plant; and establish a credit fund to renovate and rehabilitate cocoa plantations.

COOPERATIVE BONDS AND ALLIANCES: BEYOND PROFITABILITY

In May 2001, the five associations and the Paria Project Foundation invited *Agropecuaria San José* to take part in the creation of the *Cacao Río Caribe* s.c. company (Carioca), which would process and market the area's cocoa production. *Agropecuaria San José*, which produces 300 tons of cocoa in the region for export annually, invested in technologies to improve the genetic quality of Paria cocoa. This action earned the company great international prestige and restored the reputation of Paria cocoa among international buyers. San José played an important advisory role in both management issues and the establishment and equipping of the

Carioca cocoa processing plant, which has in turn made it possible to earn the confidence and acceptance of the communities.

The processing plant was installed on premises donated by the Venezuelan government that belonged to Foncacao; and it was equipped with contributions from *Empresa de Petróleos de Venezuela (PDVSA)*. In 2002, its first active season, the plant processed approximately 320 tons of cocoa sludge. After fermentation, the cocoa was marketed in Spain, Japan, the United States and Italy and, in small amounts, locally.

The producers received technical assistance through the IDB program to improve productivity. They also received credit provided under an agreement between the Paria Project Foundation and the PDVSA, bolstered by resources from the Italian NGO *Cooperazione e Sviluppo (CESVI)*. At the same time, the Paria Project Foundation, in an agreement with the Venezuelan Ministry of Production and Trade, reclaimed a nursery in the town of Guayaberos, in the Arizmendi municipality, to produce models for grafting with selected seeds, establish a germoplasm bank, and install a model demonstration plot and processing plant for educational purposes.

The profitability of cocoa in the future will depend on an appropriate combination of bean quality, value added through processing, an increase

in the production volume, and direct and joint marketing to prevent intermediation. International demand for fine cocoa from Paria is estimated at more than 3,000 tons annually; this demand could be satisfied by 1,000 to 1,500 small producers with appropriate management of the farms and postharvest processes.

There is no question that Carioca, as a processing and marketing company, is the heart of the cocoa production rehabilitation project and a vehicle to improve the living conditions of small producers and their families. Its governance is the key to success. In an environment shaken by economic, social and political change, an active membership will be crucial to the organization's survival, even more important than technical and production issues. Thus, the formation of cooperative bonds, revitalization of mechanisms for participation, and identification of collective interests are among the most important tasks to be undertaken for the future of the endeavor.



8

FUNDACIÓN PARA
LA PROMOCIÓN Y
DESARROLLO DE
LA MICROEMPRESA



BOLIVIA



THE FIRST CHAPTER IN AN EMOTIONAL ADVENTURE

What seemed in the beginning to be the unattainable dream of three executives committed to the progress of Bolivian microentrepreneurs became the world's first commercial bank dedicated to microfinance.

Bolivia, with its rich indigenous cultural traditions and amazing Andean landscapes, is a country where poverty prevails, especially in rural areas, where 95 percent of families cannot meet their basic needs. It is the South American nation with the highest percentage of rural population, the vast majority of whom are poor peasants who survive on self-supply and the sale of surpluses in the local system. Of the nearly 660,000 agricultural units in the country, almost 90 percent are small production plots that occupy only 14 percent of the nation's cultivable acreage but on which almost 3 million people (30% of the country's population) depend.

Historically, both the government and international cooperation and nongovernmental organizations and entities have made major efforts to design strategies to help the poor population increase its income and generate employment. These efforts have facilitated access to credit for

microentrepreneurs, small rural producers and peasants, and have supported the development of microfinance institutions whose combined portfolio reached nearly us\$400 million in 2001. Bolivia is one of the region's most advanced countries in the field of microfinance.

IT DOESN'T COST A THING TO DREAM . . . AND IT MAY PAY DIVIDENDS

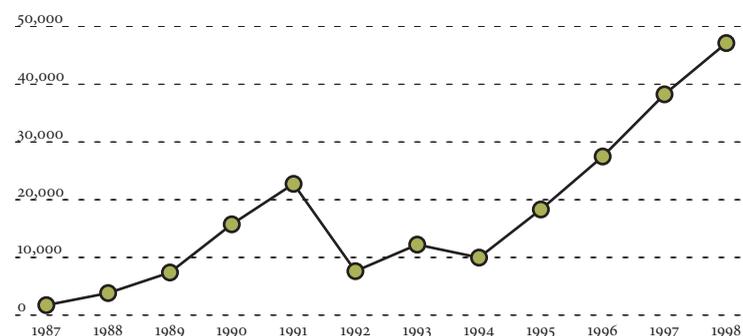
The first microcredit program appeared in 1987 with the creation of *Fundación para la Promoción y el Desarrollo de la Microempresa* (the Foundation for Microenterprise Promotion and Development, Spanish acronym Prodem) through a joint initiative of ACCIÓN International and the Confederation of Private Entrepreneurs of Bolivia. Local private contributions, support from the u.s. Agency for International Development, and the methodology

of solidarity groups developed by ACCIÓN provided the foundation for the world's first commercial bank dedicated to microfinance that also pays dividends to its shareholders.

When Prodem opened its doors, the idea of creating a sustainable entity dedicated to providing financial services to poor microentrepreneurs seemed to be nothing more than the shared dream of Fernando Romero, then president of Bolivian National Mortgage Bank, and Esteban Gross and Jack Duncan, ACCIÓN executives. These men believed in microfinance – both its potential as a profitable business and its power to improve the living conditions of hundreds of thousands of Bolivian families.

Proof that it was not an unattainable dream, but rather the first chapter in an emotional adventure, is the fact that the success of Prodem was followed by the creation of the *Fundación para Alternativas de Desarrollo* (Foundation for Development Alternatives, Spanish acronym Fades), focusing on

GRAPH 1.
Number of Active Customers 1987–1998



rural areas; the *Centro de Fomento de Iniciativas Económicas* (Center to Support Economic Initiatives, known by Spanish acronym FIE), a pioneer in using the individual credit methodology; *Instituto de apoyo a la Pequeña Unidad Productiva* (the Small Producer Support Institute, Spanish acronym Idepro), dedicated to providing enterprise development and financial services; *Programa para la Mujer* (the Program for Women, known as Promujer); and the *Procrédito* Association, which, like FIE, became a regulated institution with private financial fund status.

Since its inception, Prodem has grown at an accelerating pace. In addition to its headquarters in La Paz, it opened offices in El Alto, Santa Cruz, and Cochabamba. By the end of 1990, it had served 55,000 microentrepreneurs

and had a total portfolio of US\$11 million. By the end of 1991, it had achieved operational sustainability by covering 114 percent of its costs with its financial income.

Prodem was rapidly becoming the biggest urban microenterprise program on the continent, but it soon became evident that its nonprofit status was limiting its growth. In 1992 Prodem, in collaboration with other entities such as the Calmeadow Foundation, created BancoSol, the world's first commercial bank specializing in microfinance. Prodem contributed 30 percent of the share capital and transferred its customer portfolio to BancoSol in order to initiate a new rural credit support cycle. The IDB backed this initiative and financed a project through the SPP.

The transfer of the portfolio and assets from Prodem to BancoSol was carried out from 1992 to 1994. BancoSol received four agencies, more than 30,000 customers and US\$8.3 million in credit holdings from Prodem. In exchange, Prodem received US\$600,000 in BancoSol shares, which represented the difference between the value of the assets transferred and the profitability associated with them.

BancoSol currently serves 45,000 microentrepreneurs, 60 percent of whom are women, and has 38 branches in La Paz, Sucre, Santa Cruz, El Alto, Cochabamba and Oruro. It has disbursed more than US\$800 million through 900,000 credits to microentrepreneurs, and it is the first bank specializing in microfinance that has paid dividends to its shareholders.

SECRETS OF RURAL CREDIT

In 1991, with the objective of consolidating its entry into the rural market, Prodem requested financial support from the IDB. The IDB contribution of US\$670,000 was earmarked to satisfy the enormous unmet demand in the country through the expansion of the credit program. The project also included a technical assistance component for the institutional strengthening of Prodem and adaptation of its technical and management processes to its new clientele.

In May 1992, with the boost it received from the IDB funds, Prodem opened its first rural office in the town of Achacachi, 130 kilometers from La Paz. Despite the large existing need, Prodem managers quickly realized that the bank's products were not attracting customers. An investigation revealed that Prodem needed to offer longer initial terms and higher loan amounts and to establish branches closer to its potential customers. Prodem quickly responded to this emerging market and began a new growth cycle, although it was still far from covering its own operating costs. A donation from the Canadian International Development Agency (CIDA) and credits from the IDB and Funda-Pro were crucial to supporting these first years of the institutional change process.

Toward the end of 1994, and even after Prodem had opened 18 offices in secondary cities and rural areas, it was still not clear whether the focus on rural microfinance would be profitable. Under these conditions, Prodem launched an aggressive new growth strategy in 1995 based on expanding its branches and diversifying its products by introducing personal credit. Between 1995 and 1997, as a result of this initiative, Prodem quadrupled the number of active customers and opened 23 new branches.

When Prodem achieved operating sustainability in 1998, with 10.2 percent profitability, it found itself in a situation similar to that of 1990: Its bylaws prevented it from mobilizing resources to ensure its own growth. For this reason, it created a private trust fund, *Fondo Fiduciario Privado Prodem Oportunidad* (Prodem Opportunity, to which it contributed 72 percent of the capital (US\$4.7 million). The remaining 28 percent came from private investors. At the same time, Prodem sold 43 percent of its shares in BancoSol, stepping down from majority to minority shareholder status.

TURMOIL AND GLOBALIZATION

In 1999, the Bolivian economic recession and inclement weather ravaged the customer portfolio. The average 30-day risk rate hit 7 percent and soared to 30 percent in some agencies; for the first time in its history, Prodem had to reschedule loan agreements. Late in the year, Prodem covered its costs, and in 2000, it transferred the management of its portfolio, totaling 50,000 customers, to Prodem Opportunity.

Prodem Opportunity introduced new products and financial services, including drafts and domestic and international transfers (remittances),

fixed-term deposits and savings accounts, credit cards with online access and life insurance. In late 2000, it had a relatively strong position, with a network of 52 agencies in nine regions of the country.

Dividends from both institutions – BancoSol and Prodem Opportunity – are the basis of Prodem’s financial sustainability. However, 15 years after the journey began, Prodem and its creators observed that the initiatives to support small producers and rural microentrepreneurs were not evolving with the necessary vitality. At the same time, they realized that small producers and micro entrepreneurs could seize the opportunities created by globalization if they modernized and diversified their production systems and coordinated them with specific markets, especially in the areas of nontraditional exports and organic products.

This strategy would require investments in production infrastructure (storage centers, conversion and processing plants, irrigation systems), seed capital, purchase advances, the transfer of new technologies, development of sustainable marketing channels based on demand, and the design of new coordination mechanisms and value chains. It was also clear that any efforts in this direction would come up against serious challenges. Between 1999 and 2001, for example, Bolivian

agricultural production recorded growth of only 1.06 percent, a figure that was greatly affected by a drop in international prices, low productivity and labor skill levels, a weak production structure and the poor quality of seeds and other inputs.

In spite of the challenges, Prodem decided to move forward. In 2002, it submitted a new proposal to the IDB for US\$1,380,000 to establish a rural investment and credit fund for small and medium-sized enterprises. The fund would operate as a second-tier financial mechanism to provide credit and share capital, as well as training and technical assistance, for small and medium-sized enterprises that purchase products and services from small rural producers as part of their value chain.

In addition, the fund will provide credit to small producers, in the hope that a new growth cycle will culminate in the creation of an entity that specializes in providing enterprise development services and promoting export business. The future is promising, and Prodem’s experience in the field ensures that it will handle these challenges with characteristic seriousness and commitment.

GOVERNMENT-FACILITATED GROWTH

By means of Supreme Decree 24.000 of May 1995, the Bolivian government approved the creation of private financial funds as corporate entities authorized to accept deposits from the public and engage in financial intermediation to provide funds to small borrowers and microentrepreneurs, subject to the oversight of the Superintendency of Banks and Financial Entities. Organizations that have benefited from this mechanism include, among others, Prodem, FIE, the Private Financial Fund known as FA\$SIL, Ecofuturo, and Caja Los Andes.

Through its Small Projects Program (SPP), the Inter-American Development Bank (IDB) has invested over US\$8 million in Bolivia to develop the microfinance industry and strengthen the microenterprise institutional support system, which includes Prodem and other similar organizations.



9

COOPERATIVA
MULTISECTORIAL
AIKUKI WAL R.L.



NICARAGUA



HOW TO MAKE THE MOST OF A STAMPEDE OF SHEEP

The challenge of working with extremely poor communities lies in identifying production activities that not only enable people to earn an income but at the same time provide a source of food for their families.

Enter the Pelibuey sheep.

Neither Tomasa Rodríguez nor the other members of the Auya Phini, Santa Rita, Kururia, and La Tronquera communities of the north Caribbean area in Nicaragua knew how to react to the Pelibuey sheep that were running out of control. According to a report in *La Prensa de Nicaragua* newspaper on September 25, 2003, some people shouted at the sheep, while the contagious laughter of Doña Tomasa and other women formed a chorus. Eventually, the men and women corralled the animals without harming them and got them into the trucks waiting to take them to Santa Rita, one of the 63 communities of Bilwi, the administrative center of the North Atlantic Autonomous Region (Spanish acronym RAAN).

The first goal of the *Cooperativa Multisectorial* (Multisector Cooperative) *Aikuki Wal R.L.* was achieved: The cooperative had provided the necessary training and had delivered the sheep to Doña Teresa and the other families, offering them

a golden opportunity to establish a profitable production activity and provide healthy food for their children.

THE CONSEQUENCES OF WAR

Nicaragua is one of the poorest countries in Latin American, with a per capita gross domestic product (GDP) of less than US\$1.50 per day. Almost half of its population, approximately 2.3 million people, is considered poor. Over a third of these people, approximately 830,000, are extremely poor. Poverty is concentrated in the indigenous villages of the North and South Atlantic Autonomous Regions (Spanish acronyms RAAN and RAAS).

The North Atlantic Autonomous Region, or RAAN, with a population of 250,000, is also the most dangerous part of Nicaragua. Historically, it has been characterized by isolation from the rest of the country and by the

deficiency – or complete lack – of physical and social infrastructure. The rate of extreme poverty is 45 percent among the indigenous people – in particular, the Miskitos and other immigrants who were forced to move there during the disarmament and repatriation process following the civil war of the 1980s.

The region's production structure was wiped out during the war by the destruction of herds of cattle and other domestic animals; however, the communities maintained their traditions, including community ownership of land. Currently, many families are headed by single women, because the men have traveled to the interior of the country in search of work.

The economy of the coastal regions is based on the exploitation of natural resources, and the principal production activities are derived from the use of these resources. Artisanal fishing and mining, gathering firewood, cattle pastures, and sowing

The active presence in the project of women, who generally handle smaller livestock and production activities, guarantees its evolution, because food for their children is a fundamental priority.

small amounts of grains and tubers barely ensure a precarious survival for local families, and these activities lack the potential to help them achieve an acceptable standard of living. Another, even less sustainable, activity is traveling to urban centers such as Waspam or Puerto Cabezas, hundreds of kilometers away and on roads that are practically impassable, to sell their products at unfavorable prices. In these coastal regions, poor exchange terms prevail and there is a nearly complete absence of private development entities. Aikuki Wal Multisector Cooperative is one of the few exceptions.

LESS FOR LESS EQUALS MORE

The Aikuki Training and Technical Assistance Service Cooperative Ltd., currently, the Aikuki Wal Multisector Cooperative Ltd., has been working in the RAAN since the late 1990s to promote democratic participation and

the economic and social development of the indigenous communities. With the support of the Organization of American States (OAS) and the United Nations Development Program (UNDP), it has carried out training programs on cooperativism, sustainable agricultural production, artisanal fishing, handling and preserving products from the sea, community organization, leadership, and marketing.

In the search for a way out of their economic exclusion and extreme poverty, the cooperative and rural communities of the north Caribbean in Nicaragua found that raising Pelibuey sheep could be a profitable production alternative. The vast unused pastureland in the area and the ability of these sheep to adapt to tropical conditions offered the communities an opportunity to produce both meat and income throughout the year.

With the experience and legitimacy it had earned through working with these rural communities for 10 years on training, community organization, and production development activities, Aikuki Wal submitted a proposal to the Inter-American Development Bank (IDB) in 2002 to launch a pilot program for sheep raising with a tropical emphasis in the Waspan and Puerto Cabezas municipalities. Peasant families from 20 rural indigenous communities

would receive the training and equipment required for sustainable sheep production.

The primary advantage of this project is the rapid reproductive cycle of the sheep. Second, the meat has a high nutritional value and is competitive with meat from tortoises and cows because of its low cholesterol content and price. The third advantage is that the techniques for managing small herds of Pelibuey are not complex. Fernando Clarens, a member of the Kururia Community Council of Elders, says that the local families see sheep raising as an opportunity for “a better diet now and money later.”

The IDB provided US\$270,000, which was used to set up a “fund” of female and stud animals. Each producer family receives a unit of sheep and has a period of up to 18 months to return to the fund the original number and quality of females, plus two studs for each five females as interest, and two additional studs in payment for the technical assistance received. In this way, the animal fund continues to replenish itself, benefiting new families and generating a surplus to cover its operating expenses.

The project also provides for adapting and equipping a storage, distribution, and technical assistance center that will serve as a base of operations; equipping and funding service centers in each of the communities; providing training activities to transfer

knowledge and technology to the beneficiaries; and designing a strategy for marketing sheep meat. The project is also expected to contribute to the institutional strengthening of Aikuki Wal in the technical, management, and administrative areas.

EXPECTATIONS

The active presence in the project of women, who generally handle smaller livestock and production activities, guarantees its evolution, because food for their children is a fundamental priority.

This pastoral-forest alternative is sustainable from the environmental perspective. First, unlike goats, Pelibuey sheep feed primarily on grass and the broad leaves of some bushes, trees, and other plants. Second, pastureland reduces undergrowth in forests and grasslands and thus prevents forest fires. In addition, some people who are involved in the project may also be trained to serve as forest rangers.





10

COOPERATIVA DE
AHORRO Y CRÉDITO
LIBERACIÓN LTDA.



CHILE



A CREDIT UNION WITH A STRONG MICROENTREPRENEURIAL PERSONALITY

“I began with a small briefcase in the street, then I set up in a two-by-two space, and now I have a big office in a modern building in the center of Valparaíso.”

Eugenio Díaz
Credicoop Member

It's been 17 years since the first 14 owners of small manufacturing shops and services took the risk of becoming members of *Cooperativa de Ahorro y Crédito Liberación Ltda.* (Liberation Credit Union), commonly known as Credicoop. Since then, the number of microentrepreneurs Credicoop serves has grown to 7,300.

Chile was experiencing difficult economic times, particularly in the informal sector of the economy. The poorest groups were displaced from the labor market and found themselves excluded from access to credit and sources of financing for self-employment activities that would ensure their families' survival. At the same time, many groups and nongovernmental organizations (NGOs) were quietly working to find technical and financial support in the international arena for the thousands of manufacturing shops and self-managed companies that had been established since the late 1970s with the support of the Catholic

Church. Such was the objective of *Programa de Economía del Trabajo* (Economic Labor Program, Spanish acronym PET), created in 1978 under the auspices of the Academy of Christian Humanism and the Vicariate of Solidarity of the Archbishop of Santiago.

A VALUABLE MARKET NICHE

In 1986, with the support of UNICEF and the Dutch government, PET and the National Federation of Credit Unions created a credit union specializing in the microenterprise sector. In a small office across from Santiago Cathedral, Credicoop took its first steps toward financing production initiatives in the poorest sectors – initiatives that could not get support from the traditional credit system.

During its early years, Credicoop directed its efforts toward small manufacturing shops, especially, work

cooperatives and microenterprises operating in the formal and informal segments of the economy, paying special attention to initiatives headed by women.

By 1989, Credicoop had 261 members and had raised the equivalent of US\$600,000 through more than 500 operations. It also had ventured into implementing lines of credit for discounting commercial documents (Spanish acronym LDD) to resolve the lack of liquidity and deferred payment terms for customers from small manufacturing shops and microenterprises.

In 1991, on the basis of its experience and the positive results it had achieved, Credicoop submitted a US\$635,000 proposal to the Inter-American Development Bank (IDB) to increase its range of activities and strengthen and intensify the financial services it provided to microenterprises. Resources would be used to increase the credit fund to enable Credicoop to serve more

customers who are excluded from the conventional credit system in the cities of Santiago, Concepción, and Valparaíso. Credicoop hoped to expand its base of operations through a system of supervised credit that, in addition to training services and technical assistance, included a process to monitor and continuously track customers' production initiatives. This system of supervised credit was considered key to ensuring the success of the project, as it would transfer managerial skills to members and clients, thereby contributing to the success of their businesses and ensuring that they would be able to meet their credit commitments.

With the IDB financing, Credicoop expanded its financial services to more than 800 borrowers and improved its customer training and project oversight methods. The organization also improved its portfolio control procedures and systems, which led to a reduction in delinquencies.

The success of this project inspired Credicoop to submit another proposal to the IDB: In 1995, it requested US\$650,000 to expand its credit activities to other areas of the country and improve its operating system. Significantly, 1995 could be described as the year Chile assumed financial leadership in Latin America. The country expanded its sector by 49 percent, measured as credits extended compared with the gross

domestic product (GDP). Part of this expansion was a result of the introduction of microenterprise programs organized by large public and private banks. The growth and success of these programs drove many development organizations out of the market; especially those that had previously executed microenterprise programs but could not compete with large, sound administrative and financial institutions.

However, this was not the case with Credicoop. Its loyal membership base and clear mission, as well as the technical and financial support it received from the IDB, gave it the characteristics and tools necessary to strengthen and grow. And that is precisely what it did. The project financed by the IDB made it possible to begin the decentralization process by opening regional branches and modifying its computer system to enable online coordination with branches and centralized credit analysis.

EXPERIENCE MAKES A DIFFERENCE

Because it is composed exclusively of microentrepreneurs, Credicoop reflects the production history and reality in Chile: Its members have gone through economic crises, periods of prosperity, excess

indebtedness, falling demand, and so on. The members have essentially built the institution with their bare hands, and their growth and development as microentrepreneurs have driven the growth and development of the organization.

Since its inception, the credit union has been oriented toward supporting all producers of goods and services who need financial assistance to develop their projects and activities. Toward this end, Credicoop has designed special financial services and products suited to microentrepreneurs; defined a social participation structure that considers the dispersion of ownership and, at the same time, prevents managers and directors from making decisions unilaterally; and created a geographic service base that corresponds to the location of the microentrepreneurs it serves.

Credicoop has maintained a permanent presence among the credit support programs established since 1990 through the *Fondo de Solidaridad e Inversión Social* (Social Investment and Solidarity Fund, or FOSIS); the *Servicio de Cooperación Técnica* (Technical Cooperation Service, or Sercotec); and more recently through the *Instituto de Desarrollo Agropecuario* (Agricultural Development Institute, or Indap).

The credit union has grown, holds sizable assets; it has developed a

work methodology adapted to the diverse pool of microentrepreneurs that it serves, as well as a high-quality administrative support system; and at the same time it has clearly resolved the dilemma between efficiency and member participation. On December 31, 2002, Credicoop grants totaled US\$3.2 million. The organization has nine branches and four local offices operating in an area that stretches from the capital of Santiago (five branches and one local office) in the center of the country southward to the regions of Quinta, Séptima, Octava, and Novena.

Initially, Credicoop's membership was 100 percent urban; however, recently it has begun to venture into rural areas to meet the enormous demand for financial and savings services. This expansion has resulted in a more diverse membership, although membership is still dominated by urban microentrepreneurs linked to sectors with higher labor absorption levels, such as the clothing, footwear, metallurgy, and retail industries, which account for 61.6 percent of Credicoop's members.

During its 17 years of existence, the credit union has contributed to the development of approximately 15,000 microenterprises. Assuming an average of three workers per microenterprise, Credicoop has directly supported 45,000 people. If one assumes that each of these 45,000 people has a



family of three, the number of indirect beneficiaries is 135,000.

The experience of Credicoop's staff in microcredit evaluation and SME development, combined with the credit union's technological platform, ensures a streamlined process of evaluating and approving requests for funding submitted by microentrepreneurs.

LEARNING TO GROW

The testimony of members is the best reflection of Credicoop's achievements. René Gallardo, who makes metal lamps, acknowledges that he started out with very little beyond a belief that self-employment would enable him to realize his ambitions. His subsequent membership in Credicoop gave him the support he needed to develop his business. And while he is very clear that it has involved much effort and many late hours working in the dead of winter, he says, "It was worth it,

because I achieved my goals." His lack of knowledge and experience made it seem difficult at first to access credit; however, he says that all arrangements were carried out in a simple and straightforward manner, and he was treated well. Member Eugenio Díaz expresses his gratitude to Credicoop: "I began with a small briefcase in the street, then I set up in a two-by-two space, and now I have a big office in a modern building in the center of Valparaíso."

Credicoop has worked hard to increase the impact and influence of microfinance institutions – for example, through its involvement in creating the Network for Microfinance Development and the International Network of Alternative Financing Institutions (INAFI).

One of the objectives of the 1995 IDB project was to open regional branches for greater market penetration. Not only was this objective fully accomplished, but it also taught Credicoop an important lesson

about how to grow. Currently, the credit union is creating small local offices in remote towns. Each small office is linked to a regional branch office, which acts as its head office and provides general services. This structure allows Credicoop to reach more people with fewer staff people.

Finally, Credicoop has proved that to be successful, microfinance institutions must satisfy demand. Seventeen years of experience working with microenterprise is reflected in the financial products that the entity offers to its members – products that are adapted to the financing needs of the smallest businesses.



ASOCIACIÓN
PROCRÉDITO





A GOOD FORMULA FOR MAKING THE MOST OF A CRISIS

Even in the context of economic adversity, *Asociación Procrédito-Los Andes F.F.P. (Los Andes Procredit Association Ltd).* has discovered how to expand its market, solidify its financial business, and take the first steps toward becoming a bank that specializes in small and microenterprise.

The prevailing outlook in Bolivia was not positive: the slowing in economic growth in the last decades of the 20TH century and its correlative effects – hyperinflation, falling gross domestic product (GDP), and unemployment – created in Bolivia, as in most of Latin America, an informal sector of small and microenterprises through which people were trying to work their way out of extreme poverty. Trade and service activities were most common because they were easy to set up. Women's participation in these activities was over 50 percent, fed by the intense migration from the countryside to the city.

At that time, microentrepreneurs did not have access to conventional credit and were forced to go into debt with moneylenders and usurers, while the ups and downs of the Bolivian economy barely allowed them to ensure the survival of their families. Even so, the informal sector of the economy, which accounted for approximately 60 percent of the

population in 1989, grew at an annual rate of 4.5 percent, thanks in large measure to the concerted efforts of the international financial and technical cooperation community. Several international development agencies provided support to a group of nongovernmental organizations (NGOs) by granting seed capital to create credit funds and supporting activities that would give microentrepreneurs an opportunity to increase their knowledge and strengthen their businesses.

Because a vast number of small and microenterprises had no access to the formal financial sector, a group of technical and other professionals created *Asociación Procrédito* (Procredit Association) in 1991, with support from the German Technical Cooperation (GTZ). These founders were closely involved in the process – initiated by the Bolivian government – to develop a framework to regulate the creation and operation of formal intermediary

institutions to serve groups that had historically been excluded from the formal credit system. Over the medium term, the objective was to create a bank for these people under the newly reformed financial system. The reforms had made it possible to establish and operate such an institution, encouraging the opening of the financial market and promoting healthy competition that would facilitate access to financing for the informal sector.

THE BETTER I KNOW YOU...

Procrédito began its activities in 1992 by launching a credit program in the cities of La Paz and El Alto to finance the working capital and fixed-asset needs of small and micro commercial, services, and manufacturing businesses. Using the individual credit technology developed by Projekt Consult GmbH (IPC), Procrédito approved 1,600 loans between January



and June 1992 for a total amount of us\$760,000. This was a clear demonstration of both the need for such a mechanism and its acceptance by microentrepreneurs.

The individual credit technology is based on a gradual increase in loan amounts, contingent on an evaluation of the customer and his or her creditworthiness. Familiarity with the borrower and an acceptable level of trust make it possible to be flexible in the amount of collateral required and to tailor loan terms and conditions to the characteristics and abilities of each customer.

In the second half of 1992, Procrédito applied to the Inter-American Development Bank (IDB) for US\$512,000 to increase the credit fund originally established with resources contributed by GTZ, and to improve its technical and management

capacities. In 1994, the institution showed significant institutional solidification, which was reflected in the increase in amounts lent. In June 1994, the credit portfolio balance was approximately us\$1.7 million, which was used to serve 5,000 customers (62% women). Only 2.1 percent of the loans were more than eight days delinquent.

In 1994, on the basis of its experience and the increase in demand, Procrédito negotiated and received from the IDB an additional contribution of us\$500,000, with resources from the Swedish Fiduciary Fund for Financing Micro and Small Enterprise Activities in Bolivia. This money was used to increase the credit fund and extend its coverage to the cities of Sucre, Tarija, and Potosí.

IN THE BIG LEAGUES

Between 1992 and 1995, when Procrédito became the majority shareholder in Caja Los Andes S.A. F.F.P., it issued 55,000 direct loans to more than 15,000 customers for a total amount in excess of us\$23 million.

In May 1995, Supreme Decree 24.000 of the Bolivian government authorized the creation of private financial funds (or F.F.P. in Spanish), corporations that specialize in the intermediation of funds to small businesses and microentrepreneurs. This status enables the principal NGOs that specialize in these types of operations to accept deposits from the public under the supervision of the Superintendency of Banking and Financial Entities.

With the favorable legislation and the support of the IDB, Procrédito

took the initiative and entered the big leagues. This is how it attracted the Multilateral Investment Fund (MIF), which granted Procrédito US\$2 million to support the process of converting into a regulated entity, *Caja de Ahorro y Préstamo Los Andes S.A.* The grant was divided into a direct contribution of US\$400,000 for the new entity's capital, US\$1.4 million in loan funds to increase the credit portfolio, and US\$200,000 to improve and introduce new credit technology.

Caja Los Andes S.A. FFP operates under license of the Superintendency of Banking and Financial Entities of the government of Bolivia with the following mission: "To contribute to the economic and social development of the low-income population by providing financial services that support the development of micro, small, and medium-scale enterprise and improve the quality of life of families." Its capital stock is distributed as follows: Procrédito, 47 percent; local private investors, 7 percent; *Micro Inversiones Internacionales (IMI)*, a German company that specializes in investments in microfinance institutions, 25 percent; *Corporación Andina Financiera* (Andean Finance Corporation, CAF), 19 percent; and IPC, 2 percent.

Los Andes has experienced sustained growth in portfolio volume, number of credits, and customers served, and has strengthened both the quality

and diversity of the services it offers through 27 offices in seven cities: La Paz, El Alto, Beni, Cochabamba, Tarija, Santa Cruz, and Chuquisaca.

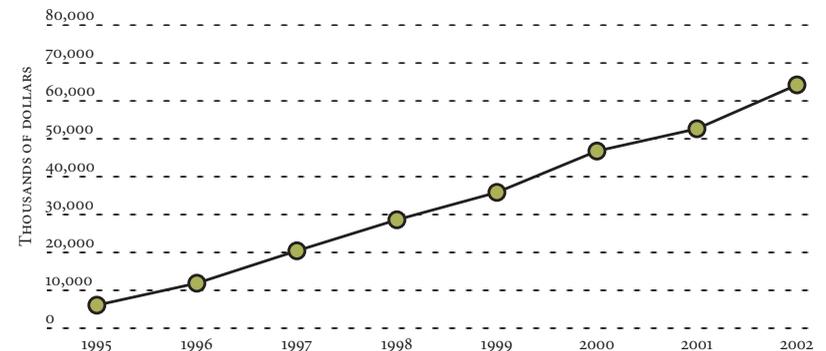
PRUDENCE AND A GOOD EAR

Los Andes has shown that it is possible to remain strong by acting prudently, staying attuned to the market, and making the most of the opportunities presented in a crisis context. In 2002 the organization recorded the highest credit portfolio balance since it was established in 1995. This growth has been accompanied by a significant decrease in the delinquency rate: For delinquencies over 30 days, the rate was 4.5 percent in 2002, compared with 5.6 percent in 2001 and 5.1 percent in 2000.

The level of deposits from the public has grown sufficiently to support the policy of diversifying sources of financing. Los Andes has 45,000 customers, the majority of whom are women involved in commercial activities. Rural credit represents only 6 percent of the portfolio.

Los Andes offers the following services to its customers: microenterprise, agricultural, and housing credit; fixed-term deposits; savings bank; credit cards through a network of 280 automatic teller machines throughout the country; performance

GRAPH 1.
Change in Credit Portfolio



bonds; domestic and international transfers and drafts; currency sales and purchases; payment for public services; and payment of tax liabilities.

In its first seven years of existence, Los Andes has demonstrated that (contrary to beliefs about the risk inherent in providing financial services to small and microenterprises) it is possible to develop a sustainable supply without abandoning the social mission of serving market segments that traditional banking does not serve. Toward this end, and with a view toward providing the best services possible to its customers, Los Andes is now taking steps to become a bank, focusing exclusively on small and microenterprises.



12

**COOPERATIVA
EMPRENDRER**



COLOMBIA



Emprender's motto is clear: "Colombian microentrepreneurs are our raison d'être." Having survived the turmoil that shook the country's credit union movement in the 1990s, the institution continues its journey with efficiency, profitability and responsibility in a tight, high-risk market.

THE ROUTE TO THE SECOND TIER

Colombia is, without question, a pioneer in the institutionalization of support programs for the microenterprise sector, whether in the private or government arena. When the National Plan of Microenterprise Development was designed in Colombia in 1982, through the joint efforts of the private sector and the government, Bolivia's Prodem and other leading microfinance institutions in Latin America did not even exist.

The microenterprise movement arose from the so-called "business foundations," which followed the development-oriented methodological example of *Fundación Carvajal*. This movement broke away from the hypothesis that the primary need of microentrepreneurs was for knowledge, which would enable them to determine whether they needed credit or another type of support. Minimalist credit was not essential to the development-oriented business

movement; consequently, there was no trend in the country in support of the other paradigm: microfinance.

However, the presence of an ever-expanding informal sector brought about new challenges for the microenterprise support system, in particular with regard to its working capital needs. In the early 1990s, this informal sector was believed to cover all economic activities, particularly in urban areas, with a total of nearly 1,500,000 microenterprises that employed 40 percent of the economically active population.

FROM SOLIDARITY GROUPS TO THE SECOND TIER

In response to this new context, the Colombian Association of Solidarity Groups was created in 1985 to provide institutional support to the network of ACCIÓN International Colombia/AITEC members and to promote the solidarity group methodology to

support microenterprises. In addition to business development services, the association's programs included financial intermediation – raising funds, primarily from international donors such as the Inter-American Foundation, the Calmeadow Foundation, the Canadian International Development Agency, Catholic Relief Services, and the Ford Foundation.

In 1987, the association included 18 member institutions that developed solidarity group programs in 11 departments in the country. In 1989, the association became a credit union; in 1990, it assumed its present incarnation: *Cooperativa de Ahorro y Crédito Microempresarial de Colombia-Emprender* (Microenterprise Credit Union-Emprender), a second-tier entity specializing in the intermediation of financial and non-financial services for its members. To serve the vast network of entities linked to ACCIÓN International, Emprender gathered



a large amount of capital from its affiliates and from international cooperation organizations, principally through the Andean Development Corporation (CAF) and the Ford Foundation. At the same time, it turned to the Inter-American Development Bank (IDB) for a small project. In 1992, the bank approved a financing operation designed to strengthen the entity's financial and technical capacity to support its conversion into an efficient second-tier bank. With resources from the IDB, the technical support of the ACCIÓN network, and the professional and personal commitment of a group of individuals who are still involved in Emprender's management, the entity achieved sustained growth in its principal indicators: number of members, total assets, fixed

assets, and total net worth. At the same time, Emprender became a catalyst for changing the paradigm as its strategic alliance with the IDB Small Projects Program triggered the establishment of microfinance institutions in the country.

The end of the 20TH century marked the end of a stage in the institutional life of Emprender, a stage characterized by the accelerated growth of the network (from the eight initial members to 34 member institutions in December 2002) and international recognition of the model, especially by bilateral and multilateral cooperation organizations.

A NEW ENVIRONMENT

As a result of the collapse of the Colombian financial credit union system in 1998 and the establishment of a new oversight system through the Superintendency of Cooperatives, Emprender decided to redefine its internal controls and administrative and governance structure.

In 2000, it became a high-level credit union, with the legal status to provide multiple services to its members and third parties, with the exception of accepting large-scale savings deposits. Faced with the critical situation in the country and the financial collapse of many NGOs and other credit unions,

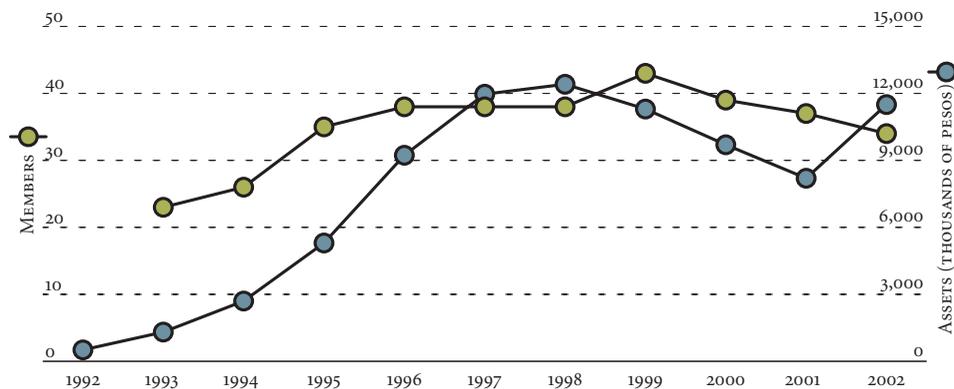
Emprender redefined its corporate strategy and shifted its focus from expanding the network to the largest number of members possible to striving for efficiency. But even with this change, Emprender's indicators reveal systematic regression. With the exception of the five partners that are at the same time part of Women's World Banking and categorized as the most efficient informal entities in the region, the majority of Emprender's members show clear signs of low operating profitability. There is no question that this low profitability affects the equity structure of the consortium, forcing Emprender to seek new, more secure markets and expand its base of financial and non-financial dealings with third parties.

As a financial broker whose sustainability is based on the profits its capital generates, Emprender has opened a new line of intermediation for individuals – an individual credit program that it hopes will account for 50 percent of its portfolio by the end of 2005. At the same time, it has complemented its array of financial products with credit for working capital and the acquisition of fixed assets for NGOs, as well as loans for Emprender network employees.

In addition, the credit union has presented its network of microfinance specialists with the challenge of providing the following non-financial services:

GRAPH 1.

Institutional Change



With resources from the IDB, technical support from the ACCIÓN network, and the professional and personal commitment of a group of individuals, Emprender achieved sustained growth in its principal indicators.

- Methodology transfer: solidarity groups, family businesses, and rural credit.
- Institutional and financial diagnosis using CAMEL, the analysis and scoring of specific indicators relative to capital, assets, administrative management, equity, and liabilities.
- Development of credit-scoring models based on quantitative and qualitative statistical parameters related to the type of activity, willingness to pay, selection of customers, and so on.
- Approval of accounting criteria.
- Comprehensive administrative fees, human resources, and evaluation processes.
- Internship programs.
- “Diálogo de Gestiones,” a training program for enterprise

development services conducted by ACCIÓN with the support of the Multilateral Investment Fund.

- Portfolio management.

The Emprender network currently consists of 34 members¹ that specialize in providing financial and non-financial services to more than 250,000 low-income microentrepreneurs in 19 departments and cities throughout Colombia, with a combined portfolio of approximately us\$81 million. In addition to keeping its credit market active and reasonably healthy, the primary challenge for Emprender over the next few years will be to operate with efficiency, profitability, and responsibility in a tight, high-risk market without diverging from its statutory principles and objectives.

¹ ACCIÓN Internacional, Actuar-Atlántico, Actuar-Bolívar, Actuar-Caldas, Actuar-Quindío, Actuar-Tolima, Ademcolanalfe, Corporación Mundial de la Mujer-Colombia, Corporación Mundial de la Mujer-Medellín, Cidescomfenal, Coconsolidar, Contactar, Cofincafé, Corfas, Cootradepmeta, Fundación Ecuatoriana de Desarrollo, Fundación Mundial de la Mujer-Bucaramanga, Fundación Mundo Mujer-Popayán, Fundación Mario Santo Domingo, Fundación W.W.B. Colombia, Fundación Amanecer, Fundación Industrial, Fundación San Isidro, Fundecor, Fundelpa, Fundesarrollo, Fundes Colombia, Fundación Cerrejón, Antioquia, Progresems, and Servivienda Microenterprises.



ASOCIACIÓN
DOMINICANA PARA
EL DESARROLLO
DE LA MUJER

13



DOMINICAN REPUBLIC



A SOARING MICROFINANCE INSTITUTION FAITHFUL TO ITS CUSTOMERS

Adopem's work has not focused exclusively on developing financial products adapted to its customers' needs. It has also provided these customers with the training necessary to transform them into good businesswomen and excellent credit subjects.

In the early 1980s in the Dominican Republic, a group was formed called *Mujeres Aplicadas a la Industria* (Women in Industry). The group was composed of professionals who studied the general status of women in their country and determined to find ways to end their marginalization through sustainable mechanisms. The group was particularly concerned about the assembly plants being built in the country and the increasing rate at which women were being brought into them at low wages. In a search for alternatives, Women in Industry contacted Women's World Banking Cali of Colombia, which is affiliated with the international Women's World Banking network. The Cali affiliate connected them to the global banking network and, through this connection, the *Asociación Dominicana para el Desarrollo de la Mujer* (Dominican Association for Women's Development, or Adopem) was created in 1982. Adopem's

principal objective is to integrate low-income women and their families into the country's economic and credit system by providing financial and training services. By late 1982, Adopem had carried out 90 credit operations through a seed fund generated by virtue of its founding members' ability to raise funds.

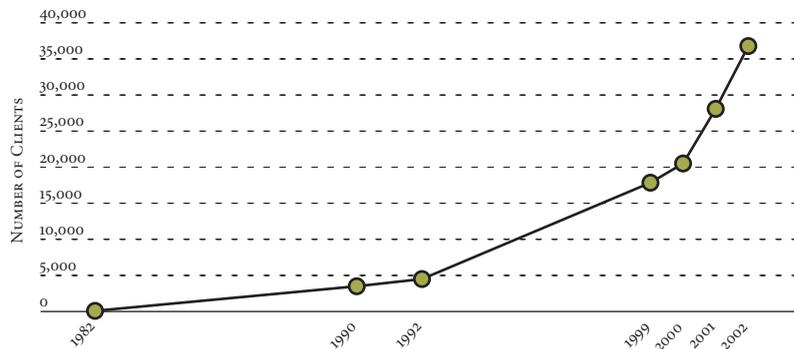
By the end of the 1980s, Adopem had established branches in the outlying neighborhoods of Santo Domingo, San Cristóbal, San Pedro de Macoris, Santiago, La Vega, and Moca. In these marginalized areas, Adopem had granted more than 10,000 credits to approximately 3,500 female microentrepreneurs. During these early years, Adopem benefited from the financial support of individual donors, public funds, and international funds affiliated primarily with the U.S. Agency for International Development (USAID), Catholic Relief Services, the Inter-American Foundation, and the Women's World Banking network.

A GOOD BET

Adopem successfully raised funds and integrated itself into the community; however, financial analyses revealed that while the institution was solvent and liquid, it showed losses in operating capital because of the high turnover of its portfolio. In other words, Adopem had not ensured its financial sustainability on the basis of its portfolio's performance. To perform an institutional review to identify problems and define a strategy to achieve sustainability, Adopem asked the Inter-American Development Bank (IDB) for US\$30,000 in technical assistance.

The results achieved with this initial aid opened the door to additional financing of US\$615,000, approved in 1992, through IDB's Small Projects Program. With these funds, Adopem was able to expand and improve its system for channeling and providing credit.

GRAPH 1.
Number of Clients, 1982–2002



It used the technical cooperation for institutional strengthening; specifically, reviewing and improving its credit methodology and updating its operating systems. The outcome of this IDB-approved project can be summarized by the fact that the determination of this group of Dominican women, combined with the support they received, made it possible for them to make very wise and efficient use of the resources. During its 20 uninterrupted years on the market, Adopem has extended 245,000 loans, and is currently considered one of the most efficient and profitable microfinance institutions in the region. By the end of 2003, Adopem had 12 branches in the poorest areas of the country, through which it serves nearly 40,000 customers. It has a gross portfolio of US\$11 million, a 35 percent return on equity, and

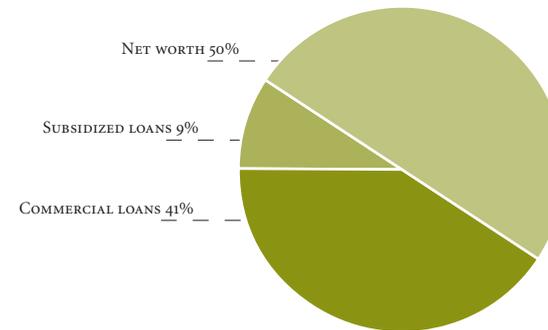
a portfolio yield of 45 percent. This high level of profitability has been sustained by the growth of its financial income, greater operating efficiency, and a significant reduction in administrative expenses.

As shown in graph 1, the most intense growth in the number of customers occurred during the years following the approval of the small project by the IDB, which shows once again the catalytic effect that these projects can have when they are managed well.

REINFORCEMENT, EXPANDED SERVICES, AND TECHNOLOGY

Since 2001, the Dominican Republic has experienced a difficult economic trend. This trend has affected Adopem not only through the 26 percent

GRAPH 2.
Sources of Funding, 2002



devaluation of the peso, but also because it has had to reduce staff and assume the risks inherent in the effect of the economic crisis on its customers.

However, Adopem has shown that sustainability pays. By establishing a strict structure for its credit process and charging rates that cover the risk and yield a profit, Adopem has been able to continue to serve its target population, which was hit hard by the economic turmoil, without assuming higher margin costs. Its active presence during economic crises and natural disasters has earned it the loyalty of its customers, and this loyalty is reflected in positive development and financial results.

Fifty-one percent of the Adopem portfolio is financed by its own resources; 49 percent is financed by funds from other sources, such as the *Fondo para el Financiamiento*

de la Microempresa (Fund for Microenterprise Financing, or Fondomicro), the IDB, the Intercontinental Bank, the GTZ, the Resource Foundation, and several Dominican government programs.

Of Adopem's 40,000 current customers, approximately 20,000 are represented in a US\$2.2 million portfolio extended as group credit, primarily to small domestic businesses in areas of extreme poverty. The other 20,000 borrowers have used individual credit for supplies and housing. Adopem has held on to its microcredit niche by concentrating half of its portfolio in the US\$70–US\$500 range for terms of 4 to 12 months. The institution employs 29 analysts who specialize in group credit and 59 who specialize in individual credit, enabling greater efficiency in approving applications and decentralization of the approval process (amounts under

us\$900 are approved at the branches).

Adopem also offers training to its customers. The training center's primary programs are management courses and vocational training. Adopem has signed agreements to provide training to organizations such as the Dominican Institute of Industrial Technology (Spanish acronym Indotec), the Technological Institute of Santo Domingo (Spanish acronym Intec), the Dominican Development Foundation, the National Private Enterprise Council, the Peace Corps, Bristol Myers, Johnson & Johnson Dominicana, and the Bratex Institute.

Adopem has also begun to develop nontraditional programs. For example, it recently launched an initiative on democracy and citizen participation, with emphasis on encouraging the effective participation of women in the democratic processes and civil life of the country.

Adopem has continuously improved its information systems, an essential step in controlling the risks of financial intermediation – specifically, credit. In 2002, it instituted the Palm Pilot Project for its credit analysts, with resources from the Multilateral Investment Fund's Innovations Program. Palm Pilots have proved to be extremely useful tools, enabling the analysts to process information obtained from field visits online and increasing their productivity.

With more than 20 years of experience in the microfinance business, good positioning in the national and regional markets, and financial soundness, Adopem began the process of becoming a bank. It had the cooperation of the IDB through MIF, which in 2000 approved us\$300,000 through its Line of Activity to finance advance feasibility studies to support the transition process.

In April 2003, Adopem obtained approval from the Dominican authorities to become a bank by acquiring 100 percent of the shares of Banco de Desarrollo del Valle, a small financial institution that was totally decapitalized but which identified with the microenterprise sector. The price of the shares was negotiated at 15 percent of their par value, and Adopem committed to establish the minimum capital required by the regulatory authorities and to later increase the capitalization to us\$10 million, thereby endowing the institution with greater security and strength. To increase the capitalization, Adopem approved the addition of new investors so that the bank's shareholders would be structured as follows: 40 percent Adopem NGO, 30 percent local investors, and 30 percent foreign investors, including the World Bank's International Finance Corporation and Women's World Banking.

Notwithstanding the recent economic crisis and the political expectations



created in the 2004 electoral campaign in the Dominican Republic, Adopem's broad experience in the sector and its appropriate financial and institutional positioning will ensure its successful transformation into a commercial bank without sacrificing its primary niche: a microfinance institution oriented toward low-income women.



**CALZADO
ANDREA**
LO MEJOR EN
CALZADO

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ALZADO
SIA
JUN
CO

**ORGANIZACIÓN
DE DESARROLLO
EMPRESARIAL
FEMENINO**

14



HONDURAS



What began as the spontaneous effort of a woman committed to the welfare of her fellow humans was transformed into a sound and disciplined microfinance institution that is now in the process of achieving formalization.

THE BENEFITS OF GETTING ONE'S HOUSE IN ORDER

The death of Francisca Aguilar de Escoto in June 1992 in San Pedro Sula, Honduras, caused great sorrow not only among her friends and family. Her premature death also profoundly affected the members of the board of directors of the *Organizacion de Desarrollo Empresarial Femenino* (Women's Business Development Organization, or ODEF) and the thousands of women who, under her leadership, had begun a process of economic and social advancement never before seen in the area.

The sudden death of Francisca – the first woman in Honduras to graduate as an agronomic engineer – in an absurd traffic accident appeared to shatter the dreams of these women and the group of friends who, inspired by her vision of development, had joined her in founding ODEF. In an era when institutions were created with a clear vocation for service and existed totally on donations, Francisca divided her time between designing

programs (which became the seeds of development) and seeking resources to fund them. However, she relied too much on her memory, and the entity was so small that it did not have adequate recordkeeping, filing, and control systems, with the result that Francisca took to her grave data, figures, and details about commitments, including those she had begun to negotiate with the Inter-American Development Bank (IDB).

The day after the funeral, the board of directors of ODEF appointed the organization's treasurer and secretary as co-directors. Their first challenge was to fulfill the immediate expectations of beneficiaries and donors. The second was no less complicated: to demonstrate that the organization Francisca had founded to fulfill her commitment to the poor women of San Pedro Sula could be transformed into a serious institution with the ability to evolve.

THE WORK OF ONE WOMAN

Francisca got the idea to create ODEF after witnessing the success of a hog-raising program managed by women and financed with resources from the U.S. Agency for International Development (USAID). In 1984, she created ODEF, a private development organization (as nongovernmental organizations [NGOs] are commonly known in Honduras) that would provide services to the microenterprise sector while focusing on issues related to the environment and sustainable agriculture. ODEF's activities began with a two-year contract from the Overseas Education Fund (OEF). It was assumed that the women would be able to fund their activities self-sufficiently after two years.

A year after the work began, Francisca legally registered her organization as an entity with the mission of promoting the socioeconomic advancement of low-income women

in the departments of Cortés, Yoro, and Santa Bárbara. She was the soul and leader of the organization, managing day-to-day activities with the help of a small group of people who supported her in her strategic direction. ODEF was a nascent endeavor focused on agriculture and the environment, with only a marginal microcredit component that arose from an alliance with the Katalysis network in California, in the United States.

After two initial years of collaboration with the OEF, ODEF became independent and began moving toward what today is an extended alliance with large international networks, including the Katalysis North/South Development Partnership and the Small and Medium Enterprise Support Program that USAID was funding through *Asociación Nacional de Industriales* (National Industrial Association, known as Andi)¹ With the technical and economic support of these entities, ODEF launched its village banks initiative in 1989 and expanded its individual credit program.

The demand for credit was great and the microcredit component of ODEF became increasingly important, to the extent that in 1990, Katalysis support accounted for 80 percent of ODEF's resources. Notwithstanding its alliance with this large network, ODEF's approach to microcredit was

more social than economic or related to self-sufficiency. In 1991, when the Katalysis network helped Francisca initiate contact with the IDB to explore the possibility of obtaining financing through the Small Projects Program, she reported that 1,500 "female beneficiaries" had received credit from ODEF to improve their housing, for working capital, and for livestock credit.

After analyzing ODEF's history and prospects, the IDB approved US\$500,000 in financing (with resources from the Norwegian Fund for Latin American Development) to expand ODEF's credit programs and US\$146,000 in technical cooperation in the areas of systems, credit, financial planning, and training. The ODEF project was approved on July 22, 1992, a mere month after Francisca's death.

The new co-directors found themselves with an entity that reflected the problems typical of an effort led essentially by one inspiring and driving person, who, notwithstanding her good intentions, ended up concentrating in herself the vision, responsibility and daily management of the venture. Upon Francisca's death, it was discovered that the accounting was not current and there was no order to the files. Information was not sorted, and it was difficult to find forms, agreements, and documents. In addition, many employees were not willing to cooperate with the

co-directors because of their loyalty to Francisca and their resistance to new rules and guidelines. And it was during the very process of getting the institution in order that the co-directors learned that although the IDB had approved the project submitted by Francisca, they would have to fulfill a series of conditions before they could sign the agreement and begin disbursements. The magnitude of the organizational task was so overwhelming that some local entities and close advisors suggested that ODEF should relinquish the project and inform the IDB that the organization would be liquidated.

FROM A "SOFT TOUCH" TO A FINANCIAL "DICTATORSHIP"

Against all odds, the new co-directors expressed their willingness to accept the challenge of getting the organization in order so it could benefit from the support offered by the IDB. They had to dismiss 40 of the 72 employees and request additional support from Katalysis. In spite of the chaotic state of the files, they committed to having all information systematized and organized within two months. In a marathon of work, ODEF carried out a total reorganization and separated the microcredit activities from sustainable agriculture. By

February 1993, the organization had met all required conditions to the full satisfaction of the IDB.

The co-directors are grateful for the incentive from the IDB that compelled ODEF to make discipline an integral part of its organizational culture. Now, all administrative and financial processes are well organized and under control, and contingency plans are in place for what will happen if one or both directors should die. Before its collaboration with the IDB, ODEF was an organization based on friendship and family ties among the board of directors, the staff, and the customers or beneficiaries; now its soundness is based on the technical capacity of the board, management, and administrative staff, and the effective growth of its clientele.

ODEF completely fulfilled its commitments to the IDB. While it had initially agreed to provide credit to 1,500 women through village banks and individual loans, in the end, the project served 3,988 customers, 3,180 of whom were new customers started under the IDB project. Of the total, 83 percent are women (2,310 more than the 1,500 originally planned for). Eighty percent of these customers were served through village banks and 20 percent through individual credit.

¹ A program known today as the Fundación José María Covelo.

Clearly, the journey has not been easy. And there were times when the commitment to keeping delinquencies under 5 percent was not fulfilled, and the IDB suspended disbursements. In fact, at one point, the delinquency rate climbed to 20 percent. There had been no financial discipline in the past, so control over delinquencies was not very strict. The new administration decided to “take the bull by the horns” and seized what it could find: pigs, chickens, kitchen equipment, and so on. The process was difficult, but it was an important lesson for both the community and ODEF. Currently, the 30-day delinquency rate is 9.5 percent for the US\$5.9 million portfolio.

Certainly, the “dictatorship” imposed by the co-directors in a time of crisis was very strict, but even they were surprised by the results: In 1994, when the accounting reconstruction process was completed, thanks to the dedicated support of the IDB, ODEF realized that “putting one’s house in order” brought the very valuable award of financial sustainability. The institutional strengthening required by the bank was fundamental to consolidating ODEF’s achievements. It is not surprising that all the technicians who were hired with IDB funds to carry out this difficult task are still in their positions today, seven years after completing the project.

ODEF maintains its training programs, which are based on the methodology

developed by the International OEF for illiterate and semiliterate groups. The programs consist of nine two-hour talks, some before the credit is extended and others before each disbursement. ODEF also has established a club of successful customers, providing a forum through which borrowers can share everything from recipes to strategies for growth. ODEF also supports an extensive network of contacts and opportunities.

The ODEF market covers the Cortés, Santa Bárbara, Yoro, and Altántida departments, an area of nearly 17,000 square kilometers with a population of 850,000. In March 2003, ODEF had 9,078 customers and three credit products: the village bank (4 percent), unified groups (26 percent), and individual credit (70 percent). The average credit per product is, respectively, US\$280, US\$360, and US\$1,400.

Currently, ODEF has nine agencies and four branches. It has US\$2.8 million in assets (of which US\$1.8 million is from capitalized donations) and US\$3.3 million in debt, primarily with the Covelo Foundation (US\$2.2 million), the Central American Bank for Economic Integration (US\$600,000), and the IDB (US\$500,000). It shows 12 percent profit on income.

ODEF systematically conducts impact evaluations, in which it measures such aspects as variations in income and savings of customers, improvements

customers have made in their homes, levels of education and activity of customers’ children, and changes in the natural resources and quality of the environment. The next step for ODEF (a decision that has already been made) is to convert to a financial entity governed by the National Banking and Insurance Commission of Honduras.



SERVICIOS
EDUCATIVOS DE
PROMOCIÓN Y
DESARROLLO RURAL





Separ is not the first institution – nor will it be the last – to face the decision of whether to separate social from financial services. Many nongovernmental organizations in Latin America and the Caribbean have done so with success.

THE TRANSITION FROM BENEFICIARIES TO CLIENTS

The city of Huancayo is east of the Peruvian capital of Lima, 3,700 meters above sea level. To reach it, one must travel through an area that was ravaged by terrorism during most of the 1990s. As a result, the rail service was suspended for a number of years, substantially increasing the area's isolation.

Blessed with exceptional geography where mountainous landscapes alternate with deep lakes such as Paca and Ñahuipuquio, the area is home to archeological treasures such as the ruins of Marivilca in the Mantaro Valley and historic cities such as Chupaca, the scene of the Battle of Caratoc during the war with Chile, and Jauja, the first capital of Peru.

The city's population of 1 million survives primarily on agriculture-related work. During the 1990s, the city grew considerably as a result of refugees fleeing the violence in the countryside; this influx of people created pressures on the local labor market and the Huancayo social structure.

WOMEN: THE KEY TO IMPROVING LIVING CONDITIONS

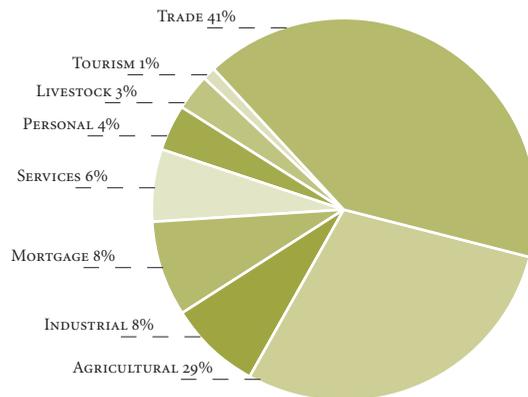
Under this new scenario, the Evangelical Social Action Service, which has worked tirelessly to provide humanitarian assistance to the poor since the 1970s, created *Servicios Educativos de Promoción y Desarrollo Rural* (Educational Services for Rural Promotion and Development, or Separ). Composed of professionals and technical members, Separ has directed its efforts toward promoting rural women as the engine to improve living conditions for families.

In recent years, and with the same goal, *Asociación Perú Mujer* (Peruvian Women's Association), *Movimiento Manuela Ramos* (Manuela Ramos Movement), and *Centro de Comunicación e Investigación Aplicada Mujer y Sociedad* (Women's and Societal Center for Communication and

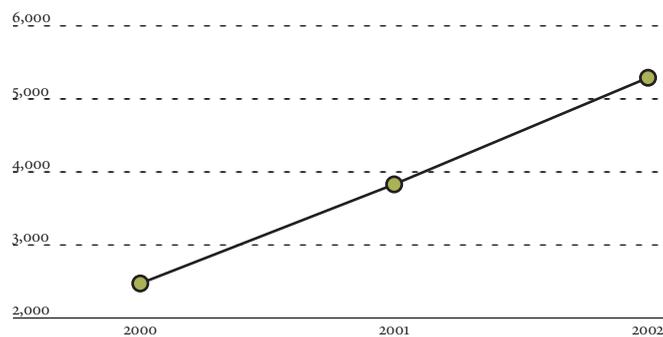
Applied Research) were established as part of the broader movement, and these organizations also received support from the Inter-American Development Bank (IDB) through its Small Projects Program.

Through its Women's Promotion Program, Separ supported the organization and development of women farmers and microentrepreneurs from Huancayo, helping them break into new markets by restoring ecological Andean crops, consolidating labor organizations such as the Association of Agro-industrial Women of the Mantaro Valley, reinforcing the management and development of agro-industrial activities, and ensuring women's access to microcredit, training, and technical assistance for microenterprise. To develop these programs (which included a humanitarian aid component relative to food and health), Separ relied on support from the Interchurch Organisation for Development Co-operation (icco) of

GRAPH 1.
2002 Credit Portfolio by Sectors



GRAPH 2.
Change in the Number of Credits



the Netherlands, Christian AID, the UNDP, OXFAM, Bread for the World, and Catholic Relief Services.

In 1992, with the objective of expanding and improving the scope of its activities – especially the credit program and microenterprise support services – Separ submitted an application to the IDB for US\$650,000. The proposal was to improve the pilot agro-industrial food processing plant that Separ was running in the town of Allpa Kallpa in Matahuasi and to strengthen the credit program targeted primarily at self-managed groups of rural women and female microentrepreneurs involved in commercial and service activities.

The Allpa Kallpa plant was operating, albeit barely, providing basic food-processing services for particular grains produced by communities and women's groups. The plant was a center for research and experimentation and a teaching center for the transfer of alternative technologies. Separ was receiving technical assistance from Intermediate Technology Development Group (ITDG), a nongovernmental organization (NGO) from Great Britain that was founded in 1966 with the objective of demonstrating that the use of sustainable technology by local populations can contribute to reducing poverty in developing countries. ITDG provides consulting

and technical assistance throughout the world.

SOCIAL SERVICES ON ONE SIDE; FINANCIAL SERVICES ON THE OTHER

By mid-1995, with the credit fund set up with resources from the IDB, Separ had extended 650 loans, primarily to women (97.2%). Separ's delinquency rate (7.5%) was somewhat high, because the organization worked with a population to whom it was simultaneously providing humanitarian services such as food assistance and health care coverage.

The Separ team, which had also received technical cooperation resources in the framework of the IDB project to consolidate institutional capacities, soon realized that sustainable financial services are incompatible with free social support services when they are offered by the same organization. Separ began to explore alternatives that would enable it to capitalize on its long experience and the credibility it enjoyed in the community, particularly among peasant women.

In 1996, regulations were established in Peru that supported the formation of regulated microcredit institutions founded by nonprofit entities. These regulations enabled Separ to create an entity that specialized in financial

services. In 1998, Separ became the majority shareholder of Confianza, s.a., through a contribution from the credit fund established with the IDB money.

Confianza is one of 14 Peruvian institutions to take advantage of the simplicity that the new legislation provides in creating Development Entities for Small and Medium-sized Enterprises (Spanish acronym Edpymes). These entities are governed by the General Law of the Financial and Insurance System and the Organic Law of the Superintendency of Banking and Insurance. They are controlled by the Superintendency of Banking and Insurance and subject to monetary and credit regulation by the Central Reserve Bank of Peru.

Confianza has expanded its operations and currently serves the microenterprise market of the Mantaro Valley, which includes the provinces of Huancayo, Jauja, Concepción, Chupaca, Chanchamayo, and Satipo in Junín department; the Pampas-Tayacaja province in Huancavelica department; and the Coronel Portillo province in Ucayali department.

WHAT THE NUMBERS SHOW

Confianza offers its customers – the majority of whom are vendors and small agricultural producers

– a diversified array of products, including the following:

- Credit to micro and small-scale enterprises to finance working capital and fixed assets and to improve or expand commercial premises;
- Agricultural credit;
- Credit for working capital and fixed assets for economic units with less than us\$300,000 in assets or less than us\$750,000 in annual sales;
- Unrestricted personal credit for workers employed in the public and private sectors and for independent professionals;
- Letters of trust for deferred payments to suppliers; and
- Mortgage credit for new and existing housing.

By the end of 2002, Confianza had increased its credit operations by 46.6 percent over 2001 and its total assets by 64 percent; maintained female peasants and urban micro entrepreneurs as its focus for services (43% of its portfolio); increased its share capital by 29 percent, from us\$665,000 in 2001 to us\$840,000 in 2002; and significantly reduced its delinquency rate from 7.5 percent to 4 percent.

Despite these positive results, the profitability levels for assets (3.2%) and shareholders' equity (18.7%) were lower in 2002 than in 2001. This situation motivated Separ to



redesign its processes to improve efficacy and efficiency, an endeavor that is supported by the IDB through the Multilateral Investment Fund.

The primary goal for the Confianza management is to continue to improve the sustainability of its operations as a financial company without losing the social direction that characterizes Separ, its majority partner.



16

FINANCIERA
COMPARTAMOS S.A.



MÉXICO



AID BY THE KILO IS TRANSFORMED INTO A FINANCIAL BUSINESS

“Once in Calcutta, we had no sugar for our children. Without knowing why, a four-year-old had heard that Mother Teresa was out of sugar. He went home and told his parents that he would not eat sugar for three days so he could give it to Mother Teresa. His parents brought him to our house. He held a small jar of sugar that they had not eaten. That child taught me to love. What is most important is not what we give, but the love that we convey by giving.”

Mother Teresa of Calcutta

A deep love for one’s fellow man, especially the poorest, is one of Mother Teresa’s legacies to humanity; it is a legacy that has inspired hundreds of thousands of people around the world, including a group of young Mexican Catholics connected to the business world through family ties and professional training. In 1982, after hearing Mother Teresa speak at the Family Conference in Acapulco, they decided to create *Gente Nueva*, a youth movement with a commitment to promoting positive values oriented toward solidifying personal integrity.

Gente Nueva focused on strengthening the culture, using communication and social action to fulfill its mission. However, it was not until 1985, when an earthquake shook Mexico City, that the opportunity arose to put a social action program in place; this program has since mobilized hundreds of thousands of young volunteers around national projects such as “A Kilo of Aid.” This project was a twice-weekly food assistance effort for the neediest

families in the country, supported by contributions from citizens and the business sectors through food cards purchased in major supermarkets.

LEARNING HOW TO FISH

The *Gente Nueva* food program grew rapidly, but it was clear to the founding group that additional tools were needed to help impoverished families and communities establish solid bases for generating income and participating in economic activities. The income generation program (village banks) was established in 1990 to promote the economic and social development of the poorest families in 18 rural and urban communities in the states of Chiapas and Oaxaca. The village banks program split from the food distribution program and accelerated its consolidation as an entity specializing in the intermediation of financial services. In 1991, the *Asociación Programa*

Compartamos (Compartamos Program Association) was established through the collaboration of professionals and technicians from Universidad Iberoamericana and Universidad Anahuac.

Compartamos was established to work directly with the poorest families and communities of Mexico City and the states of Oaxaca, Chiapas, Quintana Roo, Monterrey, and Michoacán, providing them with support to establish family microenterprises and generate income. The organization entered a growth cycle that went through the following stages:

ESTABLISHMENT (1990–1993). During this period, the principal activity was the food program, which was supported by the U.S. Agency for International Development (USAID) and private philanthropic organizations such as Banamex. The first steps were taken to create programs to support microenterprise and income generation, in an effort to give the organization less of a charitable

orientation. With the support of FINCA, the village bank program was established in 18 urban and rural communities in Chiapas and Oaxaca.

SPECIALIZATION (1993–1997). With the support of the Small Projects Program of the Inter-American Development Bank (IDB), Compartamos discovered the world of microfinance and the role of women. The village bank initiative was administered, with an increasingly pronounced entrepreneurial vision, in pursuit of transparency and expansion. Major training efforts were undertaken, and the village bank methodology was consolidated. In 1996, Compartamos split from the food program and achieved operational self-sufficiency. By 1997, it was financially self-sufficient and had taken the first steps toward forming a lasting alliance with the World Bank Group through the consolidation and growth project funded by the Consultative Group to Assist the Poor.

REVIEW (1998–2001). In this period, the methodology of village banks was reviewed and products were diversified. Compartamos became a member of the ACCION International network and adopted group and individual credit methodologies. It had more than 50 branches in 11 regions of the country and a portfolio of approximately US\$50 million. The organization made progress in standardizing processes and expanding its geographic coverage.

TRANSFORMATION (2001–PRESENT).

Compartamos became a finance company, regulated by the Superintendency of Banking and the Treasury Department and dedicated to providing working capital credit to microenterprises. With this status, Compartamos may not accept savings; therefore, in addition to funding itself through direct credit with banking and financial institutions, it may issue securities through the Mexican Stock Exchange. In June 2003, Compartamos had 68 branches in 15 states, 166,580 customers, and a portfolio of over US\$50 million.

GROWING AND SPECIALIZING IN A CONTEXT OF TREMENDOUS INFORMALITY

The IDB's contribution through its Small Projects Program marked the beginning of specialization for Compartamos. The purpose of the 1993 proposal was for a project to improve the living conditions of microentrepreneurs – in particular, female microentrepreneurs – in the Mexico Valley and the states of Chiapas and Oaxaca by expanding their access to credit, training, and technical assistance. Compartamos proposed expanding and improving credit and technical assistance programs for the informal

sector, strengthening existing jobs and creating new ones in the microenterprises in these locations, and growing stronger as an institution in order to play a more active role in its field.

US\$500,000 of the funds provided by the program financed by the IDB were earmarked to strengthen the credit and income generation program (village banks) that targeted more than 2,000 microentrepreneurs. Compartamos received an additional US\$150,000 to enhance its financial, training, administrative, and technical capacity; its credit methodology; and the provision of training services and technical assistance to beneficiaries.

At the same time, Compartamos sought out intermediary organizations that could play a more active role in the development of microenterprise. The Mexican economy of this era was characterized by the presence of an increasingly large informal sector that covered all segments, especially in urban areas. According to official data, this sector employed approximately 25 percent of the population active in trade and services through some 2.5 million establishments, the majority of which were individuals.

The income generation program expanded rapidly. It began in 1990 as a small initiative with 700 beneficiaries and a portfolio of US\$220,000; by 1994, it had 4,410 customers and a portfolio of US\$350,000 in 126 village

banks. The expansion of the income generation program was facilitated in the communities by the legitimacy Compartamos earned, especially among female heads of households, from its social action and food distribution program, which was transferred during this period to the *Gente Nueva* operation.

Beginning at that point, the institution's income doubled as its credit portfolio expanded, while liabilities were reduced dramatically as a result of the transfer of food distribution activities to *Gente Nueva* and the consequent drop in Compartamos's accounts payable to vendors.

With its high-quality portfolio and uninterrupted growth in both volume and number of customers, Compartamos has turned its attention to efficiency and efficacy. The availability of technical assistance resources has allowed the organization to focus on improving the management of its portfolio, diversifying products, and institutional self-sufficiency on the basis of return on assets and return on capital. The organization has revised its processes and methodologies and discussed the possibility of accepting savings from the poor. In 1999, Compartamos began to diversify its financial products, which include village banks, solidarity groups, and individual credit. The village bank income generating

programs continue to account for 93.5 percent of the portfolio.

Finally in 2001, *Financiera Compartamos* was established as one of the 33 finance companies (or Sofoles – their acronym in Spanish) in Mexico. Participation in *Financiera Compartamos* is distributed as follows: Compartamos A.C., 36 percent of the shares; international partners, including ACCION International and the International Finance Corporation, 34 percent; and private Mexican investors, 30 percent. The majority status of Compartamos A.C. ensures protection for both its social mission and its vision of expanding the provision of high-quality financial services.

Judging by the results obtained for the end of 2003, it was obvious that *Compartamos* had crystallized its vision. The organization’s assets portfolio was over US\$50 million, and it served more than 210,000 customers through village banks, solidarity groups, and individual credit. *Compartamos* expanded its network of branches from 35 offices in December 2001 to 68 offices in 15 of the country’s districts in late 2003.

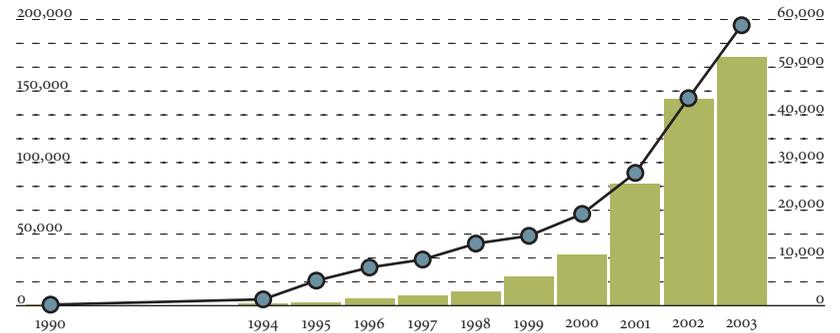
Compartamos is the first microfinance institution in the world to issue debt with its own guarantee on the stock market, which it entered in 2002 with an issue of exchange certificates valued at nearly US\$15 million.

The success of *Compartamos* is based on the following factors:

- The tremendous comparative advantage resulting from its active presence in rural community social action and food distribution programs.
- Ongoing review of the quality and appropriateness of the services it provides in relation to the needs of the communities and ongoing pursuit of better practices.
- The introduction of control systems to provide greater transparency in the management of resources.
- The decision to expand in response to increasing demand.

Continued leadership by the same people who created “A Kilo of Aid” – people who knew how to transform the organization into the largest microfinance institution in Latin America.

GRAPH 1. Portfolio Development, 1990–2003





ADEL MORAZÁN
SOCIEDAD COOPERATIVA
DE AHORRO Y CRÉDITO
AMC DE R.L.

17



EL SALVADOR



LET'S MAKE A FRESH START

Without abandoning its initial commitment to support agro-environmental activities, *Adel Morazán-Sociedad Cooperativa de Ahorro y Crédito AMC de R.L.* (Adel Morazán Credit Union) has become a sound and sustainable microfinance institution.

Located in the northeastern region of El Salvador, very close to the Honduran border, the Morazán area is the second poorest in the country. Its 180,000 predominantly indigenous inhabitants are members of the Lenca and Ulúa ethnic groups and work primarily in the areas of agriculture and handicraft production. According to United Nations data, in 1990, the Morazán area had an extremely high level of exclusion from the formal economy, little representation by government agencies and a basic infrastructure destroyed by the civil war that ravaged the country from 1980 to 1992, with particularly devastating effects in Morazán.

In a subsistence economy, people depend on self-employment on small family farms and, to a lesser extent, on nonagricultural microenterprise. Wage-paying employment in the private sector was practically nonexistent in Morazán, and poverty levels were made much worse

due to the conflict as many small producers abandoned their land and crops during the war. There was virtually no social cohesion, because almost all of the families had experienced death, displacement or disappearance. The countryside was primarily populated with widows and orphans.

DEMOCRATIZING DEVELOPMENT AND DEMOCRATIZING CREDIT

The existing microenterprises faced the usual obstacles: lack of credit for investing, difficulty accessing local markets, lack of information and lack of basic technical knowledge of management, all of which resulted in low productivity and competitiveness and the inability to establish ties with modern companies. This situation was aggravated by the fact that most of the population had suffered personal losses in the civil war.

Returnees and ex-combatants faced tremendous difficulties in resuming their activities because of the almost total destruction of infrastructure, loss of crops and disappearance of communal markets. Consequently, after the armed conflict ended, agriculture was less diversified than previously, causing many displaced people to migrate to urban areas. There, they flooded the informal markets, thus contributing to the deterioration of overall economic conditions.

This was the situation that the staff of the United Nations Development Program (UNDP) encountered in 1989 when it launched the Development Program for Displaced Persons, Refugees and Returnees (Spanish acronym Prodere). Its reconstruction strategy was based on the principle that democratizing a development process entails democratizing access to credit and opportunities for those who are less fortunate. Credit combined with technical assistance

Credit combined with technical assistance is a powerful tool to mobilize ideas, initiatives and competencies in solid businesses and economic development activities.

is a powerful tool for mobilizing ideas, initiatives and competencies in solid businesses and economic development activities.

In this context, the *Prodere* strategy was to introduce a network of *Agencias de Desarrollo Local* (local development agencies, or Adel) in Morazán, relying on its experience with programs that promote employment and generate income through the optimal use of natural, human and technical resources. The Adel network methodology focuses on ensuring that excluded groups have the opportunity to be active members in and beneficiaries of local economic development, so they become involved in the planning and management of their own institutions.

With the backing of the Adel international network, Adel Morazán was formed in 1993 in San Francisco Gotera, the capital of the department, with the goal of working in three areas: business development,

local development and agricultural development. Based on the training methodology designed by the Carvajal Foundation of Colombia, Adel Morazán defined its mission as “Contributing to the promotion of the self-sustained economic development of the Morazán department in order to thereby boost the human development of its inhabitants, strengthening social stability and preserving and restoring renewable natural resources.” In its institutional vision, Adel saw itself as the facilitator of “an economy in harmony with the environment.”

Adel Morazán was established with a US\$2,300 contribution from five general associations, a women’s association, three foundations and eight credit unions, which together served approximately 1,000 people. Credit – the fundamental tool for the reconstruction of the area – would be managed through the Small Business Guarantee Fund (Spanish acronym FIGAPE) established with US\$100,000 from Prodere. Under this scheme, Adel was to identify customers but would not risk resources or carry out monitoring or collections activities, because any portfolio delinquency would decrease the FIGAPE amount and place the future of the program at risk. However, the precaution was not enough, because this is precisely what happened: During the first year, Adel Morazán lost half of the

FIGAPE funds. How did this happen? Paternalistic attitudes, political opportunism, and lax collections processes and credit discipline were to blame.

STARTING OVER AT ZERO

Adel decided to start anew. To do so, it obtained US\$30,000 from the city council of Vitoria-Gasteiz in Spain and US\$100,000 from the U.S. Agency for International Development (USAID), of which US\$50,000 was earmarked for a credit fund and US\$50,000 for training and operating expenses for women-run enterprises. In 1996, Adel had granted 111 loans for US\$57,000; by the end of 1997, its portfolio had reached US\$230,000, distributed among 1,200 customers with an average loan amount of US\$300.

During a policy meeting in 1997, Adel directors learned that the Inter-American Development Bank (IDB) provided support to organizations such as its own; they met with the bank’s representative in San Salvador, who was interested in the idea and suggested that they hire a consultant to help prepare a profile to present to the institution. The consultant hired for the assignment was Evelyn Yasir de Lobo, who would later become El Salvador’s minister of education. The profile was accepted by the European

Community for funding through the Small Projects Program.

An analysis of the institution performed in early 1998 showed an entity with many strengths, including a solid local presence, short but significant experience with credit, and the willingness to do things right. Numerous weaknesses were also discovered, including an extremely high dependence on donations, pressure from some donors to subsidize the interest rates, political influence and a high delinquency rate.

On the other hand, Adel's credit technology was a creative mixture of two methodologies: individual credit and village banks. Any member of a community could apply for a loan, and each customer was responsible only for his or her own debt. However, Adel was similar to village banks in using the knowledge community members have of their neighbors to introduce an element of peer pressure relative to payments through "support committees." These committees consisted of entrepreneurs who represented the customers and held leadership positions in the community. Adel also provided free training to its customers.

The objective of the project that the IDB approved in 1998 was to support the expansion of Adel Morazán's financial services to un-served sectors; specifically, the department's

urban microenterprise sector. It was expected that, over the long term, institutional strengthening would establish a basis for upgrading and inclusion in the formal financial sector.

WHAT WAS ACCOMPLISHED WITH THE BANK'S FUNDS?

December 31, 2000 was the last day that Adel Morazán administered the credit program, which had become stronger and grown with the support from the IDB. Beginning on January 1, 2001, this work was assumed by *Sociedad Cooperativa de Ahorro y Crédito AMC de Responsabilidad Limitada* (Credit Union AMC, Ltd., or AMC de R.L.). The skills and willingness of the Adel directors have been combined with the knowledge, technological transfer capabilities and resources of the IDB. The plan is to make the credit activity independent of the other social and economic development programs that Adel Morazán carries out, in order to establish a financial intermediary for microentrepreneurs in northeast El Salvador. Adel moved its headquarters from San Francisco Gotera to the city of San Miguel, where it purchased a building from Banco Crédito Inmobiliario S.A. (Real Estate Lending Bank), which

was in liquidation proceedings. San Miguel was a more appropriate strategic location from which Adel could manage its growth and its network of agencies.

As is common in other cases of adjustment or upgrading, the Adel Morazán Foundation is the majority shareholder of the new entity, with 99.24 percent of the shares. The minority shareholders are eight local organizations of micro- and small-scale entrepreneurs and 12 individuals who are an important technical resource for the credit union in the areas of institutional management and balance of governance. The new credit union has seven offices, a US\$2.9 million portfolio and 5,022 current credits with 6,264 customers through 16 lines of credit.

The decision to transform was significant from an institutional and economic perspective; it involved setting aside US\$750,000 in capital for the new company, breaking away from Adel and committing to the microentrepreneur credit program. AMC de R.L. took advantage of the window of opportunity provided by El Salvador's new Law on Non-banking Intermediaries, which sets a minimum of US\$600,000 in capital to establish a credit union.

The creation of AMC de R.L. was a crucial step in establishing a sustainable microfinance institution



and demonstrates, once again, that technical cooperation funds have a large institutional and financial impact. The intermediate assessment of the operation showed that “the result of the advisors’ recommendations relative to finance, accounting and internal control is highly positive, and their implementation in the organizational structure of Adel Morazán is what made it possible to create AMC de R.L., as a significant achievement in the development of a financial intermediary specializing in microcredit.”

In terms of activities funded, there continues to be greater demand in the commercial area, which accounts for 45 percent of the

portfolio, followed by services (25%), manufactured goods (17%) and handicraft production (13%). By late 2000, with funds from the IDB, the institution had extended approximately 572 loans, at an average amount of US\$964 each. By December 2002, Adel-AMC de R.L. had increased its customer base to more than 4,200, achieving its objective of financial expansion.

The leverage necessary for this expansion was initially obtained with funding from the IDB, which was the first large amount for which Adel had full responsibility. Large donors such as Un Sol Mon Foundation of Spain, the Etimos Consortium of Italy (Banca Etica), Banco Cuscatlán S.A., Multisectoral Investment Bank, Banco Agrícola and the Spanish Fund to Eradicate World Poverty also played a part in the entity’s accomplishments. In 2003, Adel Morazán and AMC de R.L. completed the project with the IDB.

WITHOUT ABANDONING TRADITION, ADEL TAKES THE NEXT STEP

In its early days, Adel was more interested in social programs and the environment. Its Production Diversification and Environmental Program – which includes reforestation and organic agriculture

activities, establishing sample plots, educational tours to other countries, environmental education, soil and water conservation, environmental law and projects to establish municipal waste treatment plants in several towns – has made Adel an institution that is clearly identified with defending the environment of El Salvador.

Because specific criteria are intrinsic to the institution, credit analysts have been educated in Adel’s organizational culture and conform to it. Many analysts are agronomic engineers who provide appropriate advice to customers relative to caring for the environment (as noted in sampling visits to customers in urban areas).

When Adel Morazán began its large-scale microcredit activities, it had already developed environmental care and renewal programs; thus, some of the agents of these programs entered the microcredit project convinced of the importance of environmental issues in managing the financial support that their institution granted.

The current credit union is an intermediate phase; it wants to become a savings and credit company, which requires a minimum of US\$3 million in capital. Negotiations are in progress. The Adel Foundation will hold approximately 30 percent of the

TABLE 1.

Development of Adel de Morazán's Financial Performance

AREA	COMMITMENTS TO THE IDB	PERFORMANCE
Growth of portfolio	20%–50%	99/00: +73.49% 00/01: +40.71% 01/02: +42.00%
Average portfolio operating expenses	Less than 20%	2000: 71.8% 2001: 26.3% 2002: 32.5%
Productivity per consultant	Approximately 300 customers per consultant	2000: 331 2001: 197 2002: 193
Portfolio allocated over 30 days	Less than 5%	2000: 9.5% 2001: 7.7% 2002: 6.6%
Maximum leverage	Five times' assets	2000: 2.0 times 2001: 4.0 times 2002: 4.9 times

shares, La Caixa de Cataluña Foundation (through Un Sol Mon Foundation) will hold 10 percent to 15 percent, two local companies will hold 15 percent to 30 percent, and the individuals who currently hold 0.75 percent of AMC de R.L. will hold 10 percent. Finally, 10 percent is being negotiated among Triodos Bank, Etimos of Italy and Alterfin of Belgium.

The contribution of Adel Morazán is twofold. As a sustainable microfinance institution, it contributes to the growth and development of El Salvador on both local and national levels. As a development organization – and because its profits are distributed to

the Adel Morazán Foundation and directed toward the development of diversified and sustainable agriculture – it provides new sources of income for excluded groups while it contributes to protecting the environment and natural resources.



INSTITUTO DE
INVESTIGACIONES
SOCIOECONÓMICAS
Y TECNOLÓGICAS

18



ECUADOR



Insotec's involvement in the credit services and business development markets has been marked by a clear objective: to produce tangible and immediate benefits for its customers.

IN THE WORLD OF MICRO, SMALL AND MEDIUM ENTERPRISES, THE DEMONSTRATION EFFECT PAYS OFF

In the early 1980s, a group of small and medium-scale Ecuadorian entrepreneurs and a team of professionals and technicians specializing in business management established the *Instituto de Investigaciones Socioeconómicas y Tecnológicas* (Institute for Socioeconomic and Technological Research, or Insotec). They believed that, while capital is essential to small enterprises, it is rarely sufficient to help them grow. They were convinced that these businesses needed business development services.

During its early years, Insotec was primarily dedicated to providing indirect services through strengthening and business association development of small and medium-scale enterprises. Insotec aimed to increase the participation of these enterprises in the national economy and to define and formulate public policies that would ensure that their interests would be taken into account.

Insotec worked closely with the National Federation of Small Industry (Spanish acronym FENAPI) and the provincial member associations. To develop these programs, Insotec had the support of the Konrad Adenauer Foundation and the International Development Research Centre (IDRC) of Canada.

DIRECT SERVICES

Beginning in 1987, without abandoning its support of business association activities, Insotec took a first step toward providing direct financial and non-financial services to micro-, small and medium-scale enterprises through a variety of programs, including these:

- Small Manufacturing Enterprise Development Program (Spanish acronym PRODEPEM), backed by the U.S. Agency for International Development (USAID), to provide technical assistance and training

in five cities in Ecuador: Santo Domingo de los Colorados, Quevedo, Manta, Portoviejo and Esmeraldas.

- Technical assistance and training for the metallurgical sector in Ambato and Latacunga, under an agreement with Swiss Contact and the small and medium-scale industry associations of Tungurahua and Cotopaxi.
- Ecuadorian Microenterprise Development Program (Spanish acronym ADEMEC), supported by the Inter-American Foundation to establish a credit fund that is channeled through local banks in Ambato, Riobamba and Latacunga.

Insotec's customers consist of micro-, small and medium-scale companies that have the capacity to accumulate capital, can be integrated into the market, and may have a structural impact on society in the future. Insotec's goal is to contribute to improving the income and the living conditions of this sector and its

workforce. Because its area of activity lies outside the traditional power centers of Quito and Guayaquil, Insotec focuses on contributing to economic development of the whole country and discouraging migration to urban centers.

At the same time, the technical information and documentation services began to expand. With the support of the IDRC, it established the Information and Documentation Center (Spanish acronym CEDOIN), which provides commercial and technical information services to both researchers and business people.

GROWING PAINS

Insotec's accelerated growth in its early years of operation caused problems in its internal structure. A transition process in the early 1990s addressed these problems by reorienting the association's development area toward organizations specialized by sector, such as wood, metallurgy and leather. In addition, Insotec designed a comprehensive credit, training and technical assistance services program for micro-, small and medium-scale enterprises, and decided to operate only in areas in which its activities were sustainable.

The revision process continued until 1993 when Insotec addressed the

challenge of combining development work with institutional profitability, while simultaneously working to improve sectoral competitiveness. The ultimate goal of this effort was to contribute to Ecuador's industrial development, with emphasis on strengthening micro-, small and medium-scale enterprises. To achieve this goal, Insotec designed its Comprehensive Micro, Small and Medium Enterprise Development Program (Spanish acronym MIPYME), which included two subprograms: Competitiveness and Environment, and Competitiveness and Business.

The comprehensive program is geared toward providing services and products directly linked to the market, and recognizing specific local characteristics and adapting to them. Its operation is decentralized, and management is based on an efficient system of collecting information and monitoring operations and decision-making. Ongoing innovation is a prominent feature of the program.

The Competitiveness and Environment subprogram is intended to contribute to policy design and formulation by promoting research, forums for discussion, policy proposals, publications, coordination with business associations, interaction with public and private institutions, and human resources training.

The Competitiveness and Business subprogram focuses on improving

the competitiveness of micro-, small and medium-scale enterprises by providing specialized services that contribute to increasing their opportunity to participate in the markets with quality products, timeliness and appropriate prices.

It was determined that the comprehensive program would be executed through the Business Development Centers in local areas that would focus on providing a variety of services to companies to help them overcome obstacles and reinforce their growth, including the following:

- Financial services – credit for working capital and fixed assets and for investment projects.
- Commercialization services – raw materials, supplies, machinery and equipment, and access to new markets, for which Insotec created its own commercialization company.
- Technological services – production, training and technical assistance.

THE "BLUE CITY"

Based on an analysis of its experience, Insotec defined mandatory requirements that each service would have to satisfy before it was introduced: (i) high quality and capacity to add value immediately



and in a manner that is obvious to the business owner, so that customers are willing to pay the market price, (ii) provision of a service that is not offered elsewhere, (iii) contribution to the full development of the market sector, and (iv) long-term profitability.

With the support of the Inter-American Development Bank (IDB), which approved a US\$625,000 operation, Inotec set up the first Business Development Center in 1994 in Pelileo, a canton located in the mountains 120 kilometers south of Quito, the capital of Ecuador.

The majority of the canton's population is indigenous. Although this was traditionally an agricultural area, the garment industry took root in the early 20th century. In the late 1980s, many families began to produce blue jeans to sell at reduced prices in the markets of small neighboring cities. The cluster

of small and microenterprises specialized in this area was so large that Pelileo came to be known as the "Blue City."

A strong tradition of handicrafts exists among the entrepreneurs of Pelileo; therefore, it was common to find many who cut fabrics without a standard pattern and sewed buttonholes, fasteners and waistbands by hand. As a result, the quality, consistency and efficiency of the production suffered, weakening the entrepreneurs' competitive position in a market whose consumers were increasingly sophisticated and demanded ever-higher quality.

To determine the services it would offer, Inotec analyzed each point in the production chain. It also examined the restrictions and opportunities, customer demand, and the projected economic benefit for corrections and development of the specific market. Inotec's

assessment included information on styles, fabrics, market price and production advances; the purchase and financing of raw material and equipment; access to technological services; laundering services; production processes; access to the market and brands for the product.

TANGIBLE AND IMMEDIATE RESULTS

Activities began with the marketing of raw materials for producing cotton garments. Credit and technological support services were added, such as direct consulting on production and staff training as well as technical production services. Inotec prioritized these services according to how well they satisfied the immediate needs of the entrepreneurs. For example, although a machine-made buttonhole represented an additional 10-cent

cost to the entrepreneur, the sale price of the garment would increase by a dollar.

When Inotec began to provide this service, there were only two buttonhole machines in Pelileo. Soon the number of machines increased to 10, and they were followed by computer-controlled devices to produce waistbands and embroidery. Thus, by encouraging the development of the suppliers, Inotec simultaneously stimulated technological progress.

Opening offices in the interior of the country benefited both Inotec and its customers. For the latter, the reduced travel time and costs meant a decrease in the inventory levels required and the costs of their management, and consequently, better use of working capital. As for Inotec, it benefited from reducing the costs of providing its services in a country where transportation systems



are generally slow and not easily accessible. Also, the closer proximity of customers provided essential data on market conditions and requirements. But most importantly, the business development center model showed that each customer visit provides multiple opportunities for interrelated dealings.

Insotec employed a sequential approach in distributing services at its Pelileo center. The initial rapid deployment of multiple services led by one or two services that were in high demand (for example, production of buttonholes) had the potential to add significant value for both Insotec and its clients and was followed by the deployment of other

services that offered less immediate but equally significant benefits over the long term, such as technical assistance and training.

The experiment launched in Pelileo and the resources provided by the IDB enabled Insotec to reinforce its strategy of providing market-oriented services and consolidating a competitive organizational structure to meet this challenge. In addition, Insotec was able to use the market as a means to fulfill its social objectives.

A SELF-SUFFICIENT MODEL

With the opening of business

development centers in Ambato, Riobamba and Santo Domingo, Insotec refined its model for providing business development services based on constant innovation according to market requirements. The model is based on the following:

- Analysis of the market and the needs of micro-, small and medium-scale enterprises.
- Temporary provision of new technology, until Insotec is replaced by local vendors.
- Addition of new services according to market demand and the start of a new cycle.

The business development centers achieved financial sustainability by charging fair market prices for their services; they did not depend on funds from donors, which represented less than 5 percent of the organization's total annual budget.

Insotec keeps its policy firmly oriented toward the market, with the certainty that customers are willing to pay for services that provide immediate, tangible value and that improve their net return on the products they manufacture. Diversification and the wide variety of services provided have been key to this process, which has shown the following trends: an increase in the sale of services related to marketing, decreasing sales of financial services, and stability in services involving

technology.

In 2002, Insotec provided services to 4,450 entrepreneurs and supported the development of 77 vendors. The institution achieved its objective of self-sufficiency, with approximately US\$2.7 million in gross income.

In evaluating these results, it is important to consider the tremendous effort required to adapt to a dollar-driven economy.

The business development centers – initially conceived as the vehicle for providing services and a key factor in Insotec's strategy for financial sustainability – have also become model social players at the local level, with a great capacity to promote the participation and strengthening of micro-, small and medium-scale enterprises.

To a large extent, the success of this model has resulted from Insotec's strategy of ongoing innovation in its services, a strategy that has endowed the model with high integration in the market and among its customers. Insotec's greatest challenge is to maintain its exceptional ability to interpret the environment and reward its customers' loyalty with innovation and services that meet their needs.

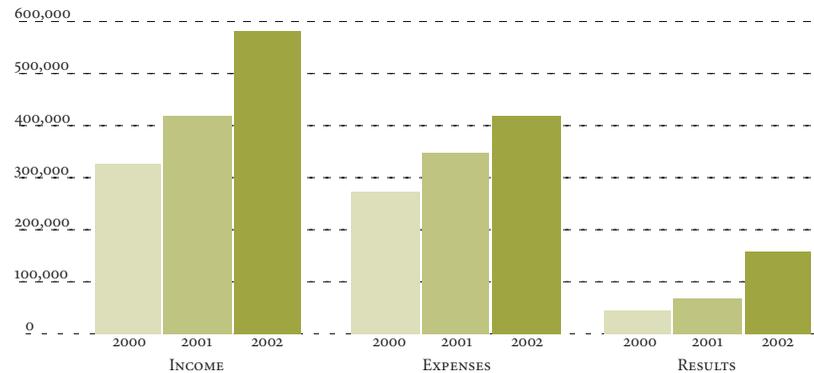
THE BENEFITS OF REENGINEERING

Pedro Chiriboga, a blue jean and shirt manufacturer in Pelileo with 30 years' experience in the business, was facing the imminent dissolution of his company. Sales had fallen dramatically, largely as a result of deficient production quality and the resulting low prices. He offered no product variety (he made only one type of blue jeans), there was excessive material waste, and staff turnover was high because of low wages and a lack of work satisfaction.

As a last resort, Pedro sought the assistance of a reengineering consultant to review the company's products and processes. After two months of intensive training, he was able to implement numerous changes. He began to buy fabrics wholesale through Insofec, replaced obsolete machinery, and started cutting with patterns rather than by hand. He established routine sewing tasks instead of having one person sew a pair of jeans from start to finish. Insofec provided him with fastener, waistband and embroidery services. The modifications made to his production processes resulted in a radical change in the company's market: Pedro was transformed from a low-value wholesaler to a high-value export market supplier. The increase in production allowed him to hire nine more employees at higher wages and to significantly increase his company's earnings.

GRAPH 1.

Insofec: Comparative Analysis of Income, Expenses and Results





FUNDACIÓN
CARVAJAL

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COLOMBIA



PIONEERS OF CORPORATE SOCIAL RESPONSIBILITY

“One of the great discoveries of the 70s was the existence of small economic units, whether in the areas of production, services or trade. It could be said that until that time, these units were completely overlooked.... Now, the entire world is aware of their existence. Their true importance is creating jobs...”

Jaime Carvajal
Fundación Carvajal

For Colombians, the name Carvajal evokes not only the image of one of the country’s great business empires but also the first Spanish immigrants who arrived from across the ocean to “make America,” and who, with determination and drive, achieved something more: they sowed the seeds of progress and overcame the consequences of being uprooted. For them, their children’s education was a crusade and America was the key to social progress. Nearly 100 years later, customers of the Carvajal Foundation Business Development Program have followed this same spirit, and educating their children has been the greatest accomplishment achieved with the aid of this organization.

The Carvajal family had lived in Cali (the largest city in southwestern Colombia) for nearly a century when, in 1904, Manuel Carvajal Valencia and his children decided to found a small printing and stationery company, Carvajal s.a.

In the 1950s, Manuel and Jaime Carvajal Sinisterra, the founder’s grandsons, assumed control of the company, which had grown rapidly through an expansion strategy based on the internationalization and diversification of its business in the areas of graphic arts and communications.

Armed with the most up-to-date approaches to business administration issues, acquired at distinguished universities in Colombia and the United States, the Carvajal Sinisterra brothers knew how to combine Christian humanism and family tradition with business sense. They decided, as businessmen, that their activities should be governed by a principle that placed critical importance on the dignity of the people who collaborated with them in their creative endeavors, whether they were employees, vendors or customers.

Before the concept of corporate social responsibility was common,

the Carvajal family understood very well that its role and commitment as businesspeople included paying competitive wages and fair benefits, offering training and incentives for growth and learning, and recognizing how employees’ work contributed to the welfare of the community. They also understood from the beginning the importance of being directly involved in the communities that were related in any way to their company.

In addition to achieving a high level of satisfaction among their employees, the Carvajals endeavored to increase productivity and focus on the needs of their customers and the development of their vendors. As the company grew, the Carvajals made shareholder contributions to social causes, generally channeled through individual donations to various entities for the public good, especially those linked to the Catholic Church. Eventually, following the example of many



large North American companies, the Carvajal family created an independent organization to work for social causes.

A PROFESSION IS BORN: THE MICROENTREPRENEUR

The Carvajal Foundation was established in 1961 with the explicit purpose of promoting the development and social transformation of the poorest sections of Cali. In the spirit of Christianity, the family donated 35.54 percent of its shares in the Carvajal Group to the foundation, making the foundation the Carvajal Group's majority shareholder. Initially, the foundation worked in close connection with the parishes of the Archdiocese of Cali and with several religious

communities. During this period, the social action model was one of promoting community centers that provided health, education and recreation services.

In the early 1970s, parallel to its social action program, the Carvajal Foundation began to focus on job creation and to explore the possibility of supporting the enterprising self-employed people who were willing to risk everything in small businesses they owned and operated in the foundation's area of influence. The foundation referred to the individuals in this diverse group "microentrepreneurs," perhaps the first time this term was used in Spanish. Based on studies of the characteristics and needs of these microentrepreneurs, it was concluded that they needed basic knowledge of management and tools to help them understand

the general condition of their businesses. Thus, the foundation's first effort was to "translate" basic business administration principles so poorly educated or even illiterate microentrepreneurs could understand them.

The ensuing training program is unique in that it combines classroom work on theory with consulting at the worksite, so the microentrepreneurs can understand their problems, develop an interest in solving them and apply their knowledge. With the theory that improving the management of businesses through training and education would immediately benefit the people's quality of life and create more jobs, the foundation approached the Inter-American Development Bank (IDB) in 1978 to request support through the recently established Small Projects Program. The Bank reviewed

the application and approved it in 1979, taking into account the very innovative - for the times - support of urban microenterprises. With funds from the technical cooperation, the foundation committed to improve its methodologies, design training manuals and train trainers; the reimbursable funds would be used to provide credit to microentrepreneurs.

METHODOLOGY AND REPLICATION OF THE MODEL

The methodology consisted of an education process that included three inseparable components: training, management consulting and credit. Credit was the last phase and was available only after the microentrepreneur had adequately prepared to operate as a dynamic

entrepreneur. They had to put their numbers in order, transferring the information recorded on multiple sheets of paper in their back pockets to a simple accounting system; work out their fixed costs and variables and calculate their contribution margin; develop a basic marketing strategy; and present an investment project related either to working capital or fixed assets.

As expected, although the budding entrepreneurs completed the training, obtaining credit was not an easy prospect because they had no guarantees or co-signers who were property owners and no secure income to ensure liquidity. Therefore, the foundation decided to use the reimbursable funds from the IDB project to close the circle of its methodological model.

As the program was implemented, it became obvious that the microentrepreneurs lacked not only capital, the easiest need to meet, but also administrative capacity. With this in mind, the foundation dedicated itself to promoting the replication of its model through more than 50 philanthropic organizations and associations dedicated to supporting the microenterprise sector in nearly all corners of Colombia and through many entities with similar objectives in other countries. Adel Morazán in El Salvador, Fundasol in Uruguay, Fundación Eugenio Mendoza in Venezuela, and Talita Kumi in Guatemala were just a

few of the beneficiaries of the IDB Small Projects Program.

The IDB was not removed from this process, and in fact, became one of the primary supporters of the development of microenterprise in Colombia through the actions of various development corporations and foundations. The Bank approved 15 operations for an amount of approximately US\$6,000,000 in the framework of its Small Projects Program for foundations working in different regions of Colombia.¹ In 1984, the Carvajal Foundation received US\$250,000 in new funding; in 2003, the Bank, through its Social Entrepreneurship Program, provided additional support for the specific purpose of professionalizing the storekeepers in Aguablanca, an enormous, poor section of Cali.

MULTIPLYING EFFECT

The program's expansion to the national level and its positive impact on low-income groups caused the Colombian government to initiate a cooperative process between the public and private sectors. As a result, the National Microenterprise Development Plan was adopted in 1984 as government policy. It provided for allocating a large portion of the plan's budget to reinforcing the program, encouraging

the adoption of the Carvajal methodology and its implementation through the private sector.

This incredible movement led to the IDB's approval of the first Global Credit Program for Microenterprise (Microglobal) in the region. There is no question that the Bank learned important lessons from implementing this first Microglobal, as well as from the successes of these "business foundations" and the methodologies for serving microentrepreneurs that were emerging at the time; the Bank used those lessons to improve the tools it offered to support the sector.

The methodology Carvajal developed to serve microentrepreneurs, the foundation's amazing work to reproduce the methodology on the national and international levels, and its commitment to the practical application of corporate social responsibility and education to improve the living conditions of low-income groups have resulted in its being used as a case study by business schools. According to the IDB Evaluation Office report, "The Carvajal Foundation assumed the pioneer role of developing a methodology that was a model for similar programs in Colombia and throughout Latin America."

Finally, in this era of consolidation, the foundation used its position as the leading organization in

¹ Corona Foundation, Sarmiento Palau Foundation, Compartir Private Enterprise Foundation, Santander Development Foundation, National Young Workers Foundation (a program that is today a part of Fundación Social, or Social Foundation), Caldas Development Foundation, Cauca Development Foundation, Guajira Development Foundation, Mario Santo Domingo Foundation, Pacific Coast Development Foundation, Fabricato Corporation for the Development of Antioquia (today known as Microempresas de Antioquia, or Antioquia Microenterprises).

the field of microenterprise to forge strategic alliances with the communities it serves, with local and national governments, and with a vast international network of development entities. These alliances are without doubt one of its most valuable assets.

THE RESULTS

Among the primary results achieved by these programs are the following:

- The creation of one new job on average for each US\$1,200 applied to credit.
- The sustained growth of the beneficiary companies.
- The positive impact on social mobility and the expected advancement of the microentrepreneurs and their families, whose children now have access to higher education.
- Testing and verification of the methodology, which permits analysis of the businesses and the subsequent training of the microentrepreneurs with or without granting credit.

TOWARD SUSTAINABILITY

In the history of the Carvajal Foundation, the 1990s were marked by the challenge of change, not only

in the modified paradigm of the development programs – according to which donors were required to favor demand instead of improving the supply of services – but in the overall economic conditions of Colombia. These two factors had a profound impact on the structure of programs conducted by the corporate foundations. In the case of Carvajal, this involved continuing to carry out its training efforts through its Business Development Program (oriented toward promoting the business spirit of low-income people, especially youths, rural populations and small, displaced farmers), but the foundation did not directly execute the credit program.

For this latter task, the Carvajal Foundation initially selected *Fundación para la Educación Superior* (Higher Education Foundation (Spanish acronym FES) as fiduciary of the IDB reimbursable funds. However, in late 1994, the entities that were executing the microenterprise program under the Carvajal model organized a commercial finance company, *Financiera Compartir*; the foundation placed the US\$300,000 balance from the IDB funds with this company. The foundation is current on the amortization of its debt with the Bank, and the microentrepreneurs it serves receive credit from *Financiera Compartir*, which is headquartered

in Bogotá and has branches in the largest cities in the country.

By the early 1990s, the foundation had grown tremendously, and the funds it received as dividends from Carvajal S.A. were insufficient. With the opening of the Colombian economy to international markets, microentrepreneurs had to improve their competitiveness and efficiency. The end of the decade was a difficult period in terms of economic, political and social issues in Colombia. Survival became a critical issue to the Carvajal Foundation.

It was apparent that the Carvajal Foundation needed to take the steps toward becoming a true social enterprise to guarantee its long-term survival. To achieve this goal, the foundation established a reserve fund and decided that every program executed by the Foundation should be sustainable. The foundation shifted its focus from social action and traditional philanthropy to social entrepreneurship and similar endeavors.

As for its more direct activities, Carvajal reoriented its social program to the Aguablanca sector in Cali. This very large district was the destination of immigrants fleeing other cities affected by natural disasters but mostly of people fleeing the violence and instability caused by guerrillas and paramilitary groups fighting in the country's rural areas.

These waves of displaced people formed a giant settlement, which in 2002 totaled more than half a million people. The Aguablanca district is the core of Carvajal's Basic Community Services Program, whose objective is to provide a wide range of basic goods and services (directly and in coordination with other entities), such as procurement services for shopkeepers, a construction materials bank, health services, education assistance, job training, a telecenter for communications, recreation, and a savings and credit institution.

In 2002, more than 175,000 people were served through the procurement services for shopkeepers and the construction materials bank, and another 140,000 received related services provided by agreements with other institutions such as the affiliate of the Women's World Banking, *Fundación Banco Mundial de la Mujer de Cali*, the telephone company, and companies that provide health care services.

With its excellent record in project execution, and in keeping with its focus on sustainability, the Carvajal Foundation earned the support of the Bank for a new initiative in 2003. The initiative aims to improve the quality of life of Aguablanca shopkeepers by expanding their supplies of products and by professionalizing and training a network with social and economic negotiation skills.

BY ITS OWN INITIATIVE

In addition to its business development and basic community services programs, for which it has received the support of the IDB through the Small Projects and Social Entrepreneurship Programs, the Carvajal Foundation has developed three initiatives of its own:

- *Housing and urban environment.* This program offers advice, design expertise, training and support for individual and community construction projects. In 1999, the program began working on rebuilding the Cafetero Roadway, which was damaged in an earthquake.
- *Education.* This initiative aims to strengthen the network of public libraries in Cali, which includes 41 sites in 30 neighborhoods, as well as 10 rural administrative units. The libraries have a large amount of bibliographic material and a specialized staff that serves 700,000 people.
- *Social communication.* This initiative supports the FM radio station HJSA, which is dedicated to broadcasting cultural and scientific information and programs. During its 23 years on the air, the station has been a vehicle for education and community integration.



These three initiatives illustrate the fact that the Carvajal circle is always drawn around education as the axis for continuing progress, a focus that fully honors the spirit of the company's founders.



FUNDAUNIBÁN

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COLOMBIA



BANANAS IN THE PLASTIC ERA

“...all they knew was that gringos were considering planting bananas in the region... Endowed with resources which in other eras were reserved for Divine Providence, they modified the pattern of the rains, sped up the harvest cycle and moved the river from where it had always been...”

Gabriel García Márquez
One Hundred Years of Solitude

Flying over the Urabá area of the northwest Caribbean coast of Colombia, one sees a vast green carpet, caressed by tropical winds and extending beyond the horizon – more than 30,000 hectares of banana and plantain plantations, the result of an initiative that began 40 years ago in the region.

However, not all that glitters is gold, and it is certain that the wealth generated by the banana plantation production adds practically no value added to the small farms in the area and has far from revitalized the local economies beyond the minor effects of the meager incomes earned by the harvest workers. In fact, the majority of the inhabitants of the banana-producing villages of Urabá in the department of Antioquia live in extreme poverty and exclusion, are displaced, and lack health and education services.

Beginning in the mid-1990s, this situation was aggravated by a deterioration in social and public

order similar to that in many other regions of Colombia, which left single women, widows and orphans in its aftermath with no viable means of survival.

Some of these women – heads of households with little education or work experience – joined forces to collect non-biodegradable refuse. This waste was generated on banana farms through the use of low-density polyethylene bags that protect the bunches from birds and insects and ensure their quality for export. These bags, along with the polypropylene rope, which were used to hold the plants up and prevent them from falling as a result of the weight of the bunches or the force of tropical winds, are discarded during the harvest. It is estimated that banana farms generate about 5,000 tons of plastic waste annually.

SUFFOCATED LAND AND COMMUNITIES

In the past 25 years, the Urabá region's banana agro-industry has become an environmental liability as a result of the nearly 40,000 tons of buried plastic that has formed an impenetrable layer 40 centimeters deep. This phenomenon has had a considerable impact on fertilization processes and on drainage around the roots of the plants, threatening the area's productivity. At the same time, international “clean production” rules have imposed standards that require banana growers to take greater responsibility and practice better disposal of waste, including plastic waste.

During this period, two pre-cooperative groups and two associative companies were formed that included 88 women. The groups operated in the municipalities of Chigorodó (Parú Group), Apartadó (Mareban Group), Turbo (Reciclatur Group)

and Carepa (Remare Group). The groups offered services to the banana plantations to manually collect, sort, press and remove polyethylene and discarded plastic, although under highly precarious conditions. The precooperatives, which had the technical and financial support of the *Fundación Social Unión de Bananeros* (Social Union of Banana Growers Foundation, Spanish acronym Fundaunibán), the *Corporación para el Desarrollo Ambiental de Urabá* (Urabá Corporation for Environment Development, Spanish acronym Corpourabá), and the *Red de Solidaridad Social de Colombia* (Social Solidarity Network of Colombia), became a source of hope and opportunity for this group of female victims silenced by social and political violence.

By 1999, these groups had minimal administrative structures, although their organization was unstable. They had collection contracts with some banana farms in the region and had adopted a system through which they stockpiled the pressed material in common locations predetermined by the municipalities, which ultimately sold it to recycling companies at very low prices.

However, it was obvious that a permanent alternative capable of generating sustainable income and jobs would require incorporating added value into the material

collection. One possibility was polyethylene and polypropylene recycling, for which it would be necessary to not only introduce technology and train the women, but also have a suitable business structure.

The experience and exchanges among the four groups (in which Fundaunibán played a prominent role) showed the women that they could make the most of the available resources and reduce costs by combining their efforts into a single company that would have the capacity to offer its members better job opportunities and higher incomes.

SOCIAL AND PRODUCTIVE ASPECTS

Fundaunibán was created in 1987 as the result of an alliance among the *Asociación de Productores Bananeros de Urabá* (Urabá Banana Producers' Association), the *Comercializadora Internacional Unión de Bananeros* s.a. (Union of Banana Producers International Marketing Company) and the *Sindicato de Trabajadores Bananeros* (Banana Workers' Union) to promote activities, programs and projects geared toward improving the living conditions of the banana industry workers and their families in Urabá and Magdalena. Very soon, the foundation established a vast social action program in the areas of

recreation, culture and sports, business development, education, housing and community infrastructure in the poor settlements of the areas where it maintains a presence.

The foundation's programs currently include the improvement of the education infrastructure; management and administration of a credit fund to improve and build housing; a separate fund for production initiatives for displaced families; and cultural, sporting and civic initiatives intended to promote peace and encourage citizen participation. All of these activities and programs are carried out in an area where integration and social cohesion were undermined by violence and civil conflict throughout the entire decade of the 1990s.

The idea then emerged to put forward a project to industrialize the process of recovering plastic from banana growers – from collection, processing and recycling to the sale of waste that, once transformed into pelletized polypropylene and polyethylene chips, could be used as raw material for the plastics industry.

To implement this idea, Fundaunibán submitted a us\$620,000 application for funding to the Inter-American Development Bank (IDB) in 1999. The proposal included us\$420,000 in reimbursable funds to support the construction, adaptation and equipping of storage warehouses; the installation of a treatment, washing

and processing plant; and the purchase of vehicles to transport materials and workers. The non-reimbursable us\$200,000 would fund technical cooperation to train the women, create a collectively owned recycling and marketing company, and establish a nursery school for the women's children and grandchildren.

As a result of the project, the precooperative company¹ *Generación de Empleo y Soluciones Técnicas* (Creating Jobs and Technical Solutions, Spanish acronym GESTA) was established in 2000 to produce and market pelletized polypropylene and polyethylene chips. GESTA is composed of 250 female members from the four original groups of plastic refuse collectors from the banana plantations in the Turbo, Chigorodó, Apartado and Carepa municipalities. The women provided the equipment from the four initial precooperatives as seed capital for this endeavor.

In addition to the women's valuable contribution to their company, the project required investments in infrastructure, facilities, equipment and machinery, as well as the development of management and organizational skills and basic social infrastructure.

¹ Legal status that permits participation in the organization of one or more promotion entities, in addition to the partners.

These investments were made possible through financial backing from the Bank and strategic alliances with the principal local stakeholders with ties to the banana industry and the civic activity of Urabá, including Fundaunibán, Fundacarbanacol, Fundaproban and Fundabanadex (the social foundations of the Uniban, Carbanacol, Proban and Banadex companies, respectively), as well as the Chigorodó municipality and its environmental development entity.

GESTA currently operates in a building lent by the Chigorodó municipality that has good access to roads and an electrical and plumbing infrastructure. The facilities have been remodeled and adapted to include administrative offices and a warehouse to store large volumes of materials.

The GESTA equipment initially included a high-pressure machine for washing polyethylene, a water circulation and mud treatment system, a grinding mill, and a high-tech machine for washing polyethylene and agglutinating polypropylene, as well as trucks to transport the material from the farms to the warehouse. The company is currently building a facility for a new drying system and looking into acquiring machinery to produce plastic wood.

It is worth noting from the organizational perspective that the GESTA board of directors includes members representing the largest

banana companies in Urabá; these representatives have a voice but no vote. The company also has a technical advisory committee created as a mechanism to link member development companies and GESTA. The managers of the plastic production plants connected to the companies are members of this committee; they advise the management committee on technical issues. In fact, this advisory committee has been one of the foundations for managing the business. GESTA also operates a nursery for the workers' children and grandchildren, as planned in the original IDB project. Run by the members themselves, the nursery cares for 45 children, for whom it provides education, food and health services.

One hundred eighty members collect plastic in the field, while 60 additional workers are employed in the processing plant over two eight-hour shifts, depending on production needs and the commitments made to customers. In 2002, the plant produced 490 tons of agglutinated polypropylene, 260 tons of pelletized polypropylene and 6 tons of agglutinated polyethylene, which were sold through the plastic plants owned by the banana sellers affiliated with GESTA. These plants, in turn, produce polypropylene bands for the banana farms, with a consequent savings in currency, as this material is normally imported. The surplus is sold to plastic

plants in Medellin.

The creation of GESTA sealed a strategic alliance between the banana growers (who are able to control the market for the collection of plastic refuse from their plants) and the women (who have taken advantage of a captive market). At this time, GESTA has contracts with 111 farms to collect post harvest plastic and recover buried plastic.

The activities of these women translate not only into a higher income and quality of life but also into improvement in the environment and increased productivity on the banana farms. In fact, of the 40,000 tons of plastic buried on the farms, GESTA recovered 10,000 tons between 1980 and 1995, restoring productivity as a result of the decontamination of the soil. GESTA's goal is to control 70 percent of the market for recyclable plastics in the Urabá banana region.

Like any endeavor, GESTA has strengths and weaknesses that will forge its future. However, there is no question as to the irreplaceable comparative advantage that tirelessly drives the company: the longing for self-improvement, which its members demonstrate on a daily basis as a condition for assuming positions in the management and operation of the company. This attitude is obvious in the eagerness and dedication with which they participate and request training activities, which has resulted in many members completing their

professional and academic training. More proof lies in the fact that the initial illiteracy rate of 60 percent among the group of women is now only 5 percent.



ORGANIZACIÓN
SAN VICENTE

21



URUGUAY



FROM SCAVENGERS TO COOPERATIVISTS

Awareness of the importance and value of their work to the city of Montevideo has helped trash pickers organize and professionalize their refuse collection and recycling activities. This has been achieved through training processes and by seeking new markets for their services.

Nearly 100 years ago, an article appeared in the Montevideo newspaper *La Razón* in which the author, Daniel Muñoz, described the tools of trash pickers: “The bag, a street dog and the emaciated, washed-out mules that are standard for garbage collectors’ carts and stop every 10 yards to give the master time to empty the crates, filling their spare time gathering pieces of straw scattered on the pavement.” Following the trash pickers on their collection routes, he discovered the secret of their survival: “Montevideo’s leftovers still give rise to an industry, a productive industry that provides work for hundreds of arms and food to many families, as well as the maintenance of a thousand substantial and succulent pigs.... Everywhere, garbage and more garbage, and there, at the bottom of a deep ravine, a beam of light, clear, alive, with a golden aura, like an immense brilliant gem in a setting of rubbish. It was a tin can on whose polished exterior shone a ray

of sunshine, breaking into the finest strands of gold, like a stream of water splits into silver bands when it falls to the floor.”

FATHER CACHO’S VISION

A hundred years have passed since this article was published, but little has changed in the scene described by Muñoz, with the exception perhaps of the number of inhabitants, the tons of garbage produced, and the number of people whose survival is based on picking through the refuse.

With 1.5 million inhabitants, the capital of the Eastern Republic of Uruguay produces approximately 1,200 tons of waste daily. Forty percent is generated by homes; the remainder comes from street sweeping, rubbish and commercial waste. Formal garbage collection programs handle 75 percent of the waste, while trash pickers sort out the remaining 300 tons. Of this amount, they sell approximately 100

tons, whereas the other 200 tons end up in garbage dumps and gullies without any environmental control. There are estimated to be about 7,000 trash pickers; if they lined up with their carts, the line would span 12 kilometers.

Nowadays, the “emaciated mules” have been replaced by horses like El Pibe: lame, old and a member of the Pirincho family that owns it. Some carts or hand trucks sport Ford tires from the 1950s, while others are adapted from the shells of discarded refrigerators. The trash pickers cross the city in their vehicles at various hours; it is not uncommon at daybreak to hear the clatter of horseshoes on the deserted pavement of the streets of Montevideo.

What are they doing? As the late priest Rubén Isidro Alonso (or Father Cacho, as he was known to Montevideo’s trash pickers) explained, “They are not looking for garbage; they are looking for scraps that are riches because they are part of the environment, of



nature, which are misplaced by the irresponsible hand of man.” How do they do it? They find a little pile of garbage; separate, pick, discard and load; then repeat the operation on the next block, throughout the night until dawn. Journalist Raúl Zibechi describes the next phase as follows: “Later, along with their gang and before the honking and congestion of traffic and the watchful eyes or indifference of the neighbors, they slowly sort before taking it all to the dump, where the scales and an uncompromising attendant determine a ridiculous price for so many hours’ work.”

There are many organizations that work with trash pickers; all, without exception, do extraordinary work. Some specialize in supporting the

development of various skills, such as saddlery, carpentry and bricklaying. Others, due to the instability of the neighborhoods where they operate, emphasize self-esteem and try to develop activities to dignify refuse collection. The latter group includes the San Vicente Organization or the Interdisciplinary Voluntary Group for Community Development in Disadvantaged Areas.

The *Organización San Vicente* (Spanish acronym osv) was founded in 1985 by Father Cacho, who saw refuse as a source of wealth. The osv’s objectives are to improve the standard of living of the residents of the Aparicio Saravia neighborhood and the greater population of Montevideo trash pickers through initiatives in health, child care, vocational training and labor insertion programs, as well as activities targeting youth. osv also seeks to professionalize the daily duties of trash pickers. As for the trash pickers, they are aware of the value of their work. As one man said, “If it were not for us, the city government could not cope; the city would be full of garbage!”

The dedication of Father Cacho and the technicians who make up the organization, and the inclusion of community representatives on its board of directors, have earned the osv the respect and recognition of both the sorters and the Montevideo City Council. Various agreements

have been reached with the council, including structuring the routes, conducting a voluntary census, issuing identification cards and registering trucks. The city has regulated the process for collecting the garbage that the sorters leave behind to prevent its being dumped in waterways and has created garbage dumps. In addition to the enormous environmental impact of these initiatives, they help to professionalize the work of the sorters and promote their participation in other activities, especially training and working together in workshops.

The Montevideo trash pickers work on their own, covering their established routes five to six times a week. They collect refuse from the public roads before the official collectors pass through. Thus, they carry out the first, rough sorting. They take the refuse they consider to have potential for sale back to their homes, which are generally located near the garbage dumps. On occasion, they take all of the waste to feed their animals.

Thirty percent of refuse sales are carried out through a rather sophisticated system of intermediaries who, through so-called “little warehouses” (generally located in the neighborhoods), buy the solid recyclable refuse; sort and bale it; and sell it to larger intermediaries, who in turn sell it to recycling companies according to the type of refuse. The other 70 percent of the refuse is

sold through informal area markets – where the odds and ends that the city’s population discards because of disuse or poor condition are sold – or to established customers who seek certain types of specific objects.

Although the average income of sorters is appreciably higher than the minimum wage earned by workers in Uruguay, this income is not stable and reaches only a small percentage of the population that participates in the activity of refuse collection.

TRAINING AND MANAGEMENT

In 2000, the Inter-American Development Bank (IDB) approved a US\$550,000 for Organización San Vicente. The project seeks to improve the living conditions of 300 sorters from the Aparicio Saravia neighborhood and their families by encouraging sustainable production activities based on the sorting and sale of solid refuse and the production of recycled products. osv was chosen to lead the project because of its organizational abilities and its comparative advantage with regard to its knowledge of the sociology of the sorters. The details of the project were developed by entities specializing in business training and financial intermediation, although under the social leadership of the osv. After

competitive bidding among various entities, execution of the business training component was awarded to the Centro Latinoamericano de Economía Humana (Latin American Center for Human Economy, Spanish acronym CLAEH), and the financial component went to the *Cooperativa Nacional de Ahorro y Crédito* (National Credit Union, Spanish acronym COFAC).

In early 2001, the *Proyecto Reciclar Esperanzas* (Hope Recycling Project) was established to promote endeavors arising from the sorters’ experience and initiative. The sorters are conceived as economic units, with competitive capacities that enable them to grow and consolidate in the market under better conditions. The training program focused on developing personal skills in the areas of leadership, teamwork, analysis and decision making, and orientation toward customers. The training is developed in three principal areas:

- Social monitoring of the beneficiaries and their families: strengthening associative networks that encourage integration, encouraging participants to work together, and using recognition as part of a system of relationships.
- Training in areas such as planning, administration, marketing, human resources, associative management and environmental management.
- Specific technical assistance in

design of the learning processes, and its subsequent consolidation through mentoring programs.

Seventy-two sorters from the Aparicio Saravia neighborhood participated in the first phase of the program. Several proposals arose from this exercise, some related to Montevideo City Council and others related to the needs of the market. The recyclers carried out the following projects:

Container collection service and cleanup of “Green Points” in Montevideo (areas set aside for sorting recyclable solid waste). This project consists of moving recyclable solid waste containers located in the “Green Points” of Montevideo designated by Montevideo City Council. The service is complemented by the cleaning and preparation of the “Green Points” where the collectors carry out an initial sorting.

This project gave rise to the formation in 2003 of the *Cooperativa Grupo Ambiental Mi Ciudad* (My City Environmental Group Cooperative, Spanish acronym GRAMIC). GRAMIC was established by seven recyclers from Aparicio Saravia to provide dump truck services to move garbage, scrap metal and rubbish to dumping locations established by city officials. The cooperative operates out of a space lent by osv and has obtained credit from the Hope Recycling Project. Its ties to these two organizations have led to contracts

with the Montevideo city council and gradual entry into the national market.

Special collection service. This project involves collecting non-household waste from the city’s central zone. It is estimated that approximately 10 tons of refuse will be collected daily by this intermediary. Nonhousehold waste generally contains a higher percentage of recyclable items than refuse from homes.

Paper-sorting service. In this initiative in the Montevideo City Council buildings, a group of female recyclers separate paper and cardboard from the rest of the refuse. It is hoped that the service will be expanded to other public buildings. The group is responsible for moving and sorting the material for its subsequent sale.

Recyclable refuse preparation and management service. The purpose of this project is to add value to the recyclable products obtained through sorting; the service includes separation of contaminants, weighing, pressing, baling and stockpiling on a larger scale. A second phase could include physical processing through fragmentation and crushing.

Secondary collection services for refuse produced during sorting activities. In this endeavor, the refuse collection system tested in Aparicio Saravia will be transferred to other sorters in Montevideo. As a wholesale service, sorters will use their own carts to

carry the bags of collectors who are far from the principal garbage truck travel routes.

As for initiatives relative to the market, the following projects are being developed:

Obtaining polyethylene pellets. In this project, discarded polyethylene will be sorted, washed and crushed for use as raw material to produce recycled polyethylene film and plastic bags.

Producing recycled paper. The objective of this initiative is to produce various handcrafted recycled paper products by reusing paper, cardboard and cotton cloth refuse.

Preprocessing discarded computers and accessories. It has been discovered that the computer industry needs to find a viable means of disposal for the refuse generated by discarded and disused equipment. In this project, plastic parts will be separated and crushed, and metals such as gold and copper will be separated out.

management and sale of solid refuse but also in the social and self-image of Montevideo's garbage people and trash pickers, who are now known as "sorters" and "cooperativists." These terms better define their activities and confer upon them greater professionalism and dignity.

As the cultural obstacles are overcome, the principal challenge for the members of the trade will be to evolve into true "garbage entrepreneurs." At this time, they are highly dependent on agreements with the Montevideo City Council. The future demands expansion and additional agreements with the private sector.

CHALLENGES

Because of their life experiences, most recyclers need help in developing the confidence and security to participate in these new initiatives. In addition to supporting the actual endeavors, the project's primary contribution has been cultural in nature. Changes have been made not only in the

CONCLUSION: SMALL CAN BE BIG

Twenty-five years of experience in supporting microenterprise efforts have reconfirmed the validity of the core objective of the Small Projects Program: to provide direct benefits to the poor and excluded groups of society who lack access to the financial and business development services necessary to strengthen their livelihood.

These past two-and-a-half decades have shown that small projects can play a key role in improving the quality of life for the poor and extremely poor in Latin America and the Caribbean. Summarized below are the most important lessons learned:

- The most common characteristics of successful projects include the clear involvement of implementing organizations in the community and the fact that they do not depend on “handouts” or voluntary income but rather on payment for the services they provide.
- Globalization and the economic and political models spawned by the Washington Consensus have led to a redefinition of the boundaries between public and private sectors. In that process, many opportunities have been created for action by the organizations of civil society, which work with increasing eagerness to improve the common good. Led by these institutions, the Program has successfully reached out to areas and populations that the state has been unable to reach.
- These organizations, typically motivated more by a spirit of development than an attitude of charity, have become successful

generators of innovations and opportunities for local development, as well as sources for the creation of social capital and skilled labor and facilitators of partnerships between the public and private sectors at the local level.

- Many of these organizations have realized the need to take a firm step toward specialization, which has led to their successful application of the old adage “cobbler, mind your shoes.” In taking this step, they have eliminated the dichotomy that typically arises between the *beneficiaries* of a program and the clients of an institution. This is not an easy process, but the SPP has provided the resources to help organizations successfully make this transition.
- Several of these organizations grew out of activities in the area of corporate social responsibility (CSR), although at the time of their creation, CSR was not included on the development agenda as it is today. The support of important business groups has given these initiatives a strong entrepreneurial character and a vision of sustainability. Hence, the success in implementing their projects.
- Knowing that they would be able

to access technical cooperation resources through the program, prompted many institutions that are now considered trendsetters to apply development technologies that differed from traditional technologies. The Program has always given institutions the opportunity to obtain the best advisors and the best tools, thus contributing to sector specialization and to the development of social capital in the region.

- Investment in social capital has not been limited to providing techniques for improving productivity. In many cases, project success has turned on a substantial investment in various facets of governance, as well as on strengthening mechanisms to encourage participation and identifying interests in the community.
- The specialization of implementing organizations has in no way harmed the clearly social spirit of their origins. Indeed, “virtuous circles” have been generated through which an NGO creates a specialized entity to operate strictly in accordance with the criteria that guide a socially oriented business.

The specialized entity pays dividends to the founding NGO so the latter can, in turn, carry out activities that have a high social return, even though the economic return is low or slow to materialize. This is often the case with activities in the fields of health and environmental conservation.

- Not all the experiences have been entirely positive. There have been cases in which organizations were unable to fully meet the challenge of maintaining the delinquency and productivity rates required by the Program, a situation that typically occurred when the implementing entity had strong initial ties to philanthropic organizations.
- In countries in which the market is managed by very large formal organizations, the most appropriate vehicle for reaching less-favored sectors and achieving true financial deepening is credit unions. Accordingly, these credit unions should receive support so they can improve their capacity to mobilize savings and channel those resources into the microenterprise sector.
- To achieve microfinance expansion and consolidation, it

is essential that work continue to focus on developing an appropriate regulatory framework for institutions specializing in this area.

- Projects with a paternalistic bend are not sustainable, and those that provide a service that is generally deemed to be public in nature should include training in processes of sustainability and mechanisms for securing long-term resources.
- Successful business development programs begin with a design tailored to the needs of a specific group, sector or locale. The transfer of know-how to the community gives these projects long-term sustainability.
- The Program has served as a catalyst for partnerships among various sectors. In this regard, it has demonstrated that investment in social, technical and financial capital can be leveraged with the help of the academic community and the local public, private and philanthropic sectors to generate sustainable entities governed by true “microenterprise entrepreneurs.”

The implementation of these instruments of support to microenterprise has given the Bank the great satisfaction of being a true partner in development, as well as an effective and efficient channel for distributing its own resources and those of other donors to a sector that is key to the progress of the region. In this way, the IDB not only fully applies the principles of corporate social responsibility but also demonstrates that it is possible to use “micro money” to achieve a “macro impact.”

STATISTICAL ANNEX

Country	Project Name	Year	Total (USD)	Sector	Subsector	Type of beneficiary	Subtype of beneficiary	No. of beneficiaries
Argentina	Fundación para el Desarrollo en Justicia y Paz (Fundapaz)	1980	424,075	Agro-livestock	Livestock	Small rural producers	UBN	150
	Fundación Banco Provincia de Córdoba	1982	574,000	Agro-livestock		Small rural producers	Youths	1,150
	Federación Centros Juveniles Agrarios SANCOR	1984	562,000	Agro-livestock	Dairy farming	Small rural producers	Youths	800
	Fundación para el Desarrollo en Justicia y Paz (Fundapaz)	1986	821,000	Agro-livestock	Livestock	Small rural producers	UBN	150
	Corporación de Desarrollo de la Cuenca del Curi Leuvu	1988	370,000	Agro-livestock	Livestock	Small rural producers	Campesinos	250
	Fundación Banco Provincia de Córdoba	1990	585,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	400
	Fundación Banco de Mendoza	1991	620,000	Agro-livestock		Small rural producers	Campesinos	360
	Federación Agraria Argentina	1991	645,000	Agro-livestock		Small rural producers	Campesinos	86
	Fundación Argentina para la Salud	1991	450,000	Commercial, service and manufacturing		Microentrepreneurs	Women with UBN	2,000
	Fundación Juntos	1991	600,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	1,000
	Fundación Banco de la Provincia de Buenos Aires	1991	600,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	1,000
	Cooperativa Agropecuaria Unión Campesina (CAUC)	1993	560,000	Agriculture	Cotton	Small rural producers	UBN	400
	Cooperativa Agrofrutícola El Oasis	1993	410,000	Agriculture	Fruit and vegetable growing	Small rural producers	UBN	100
	Asociación Cooperadora INTA Catamarca (ACIC)	1993	560,000	Agriculture	Nuts	Small rural producers	UBN	200
	Federación de Cooperativas de San Juan (Fecoagro)	1993	650,000	Agriculture	Vegetable seeds	Small rural producers	UBN	300
	Cofirene Banco de Inversión S.A.	1993	685,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	650
	Fundación Emprender	1993	635,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	650
	Fundación Banco Mundial de la Mujer	1995	708,000	Commercial, service and manufacturing		Microentrepreneurs	Women	1,500
	Fundación para el Desarrollo Centrochaqueño (Fundech)	1995	708,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	750
	Instituto Pedagógico de Nivelación Aranguren (IPNA)	1997	770,000	Agriculture	Landscaping	Microentrepreneurs	Disabled	500
	Cooperativa de Trabajo Hogar Rural	1997	485,000	Agroindustry		Small rural producers	UBN	100
	Sociedad Rural del Sur Riojano	1997	690,000	Agro-livestock		Small rural producers	UBN	106
	Cooperativa La Riojana	1997	700,000	Agro-livestock	Irrigation	Small rural producers	UBN	125
	Cooperativa Ascha Caycu Ltda.	1999	734,000	Agriculture	Cotton	Small rural producers	Indigenous	300
	Cooperativa Cauqueva	1999	735,000	Agriculture	Vegetable growing	Small rural producers	UBN	250
	Cooperativa Quiñe Raquizuam	1999	250,000	Agro-livestock	Livestock	Small rural producers	UBN	338
Cooperativa Ibatín	2002	400,000	Agriculture	Diversification	Small rural producers	UBN	120	
TOTAL ARGENTINA			15,931,075					13,735
Barbados	Barbados Industrial Development Corporation	1981	305,000	Commercial, service and manufacturing	Crafts	Microentrepreneurs	Accumulation	300
	Women in Development	1984	190,000	Commercial, service and manufacturing		Microentrepreneurs	Women	150
	National Development Foundation of Barbados (NDFB)	1987	310,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	100
	Barbados Horticultural Society (BHS)	1988	620,000	Agriculture	Vegetable growing	Small rural producers	UBN	125
	National Development Foundation of Barbados (NDFB)	1991	310,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	70
	Barbados Sheep Farmers Inc.	1998	60,000	Agro-livestock	Sheep raising	Small rural producers	UBN	250
TOTAL BARBADOS			1,795,000					995
Bahamas	South Andros Cooperative Society Ltd.	1981	500,000	Agriculture	Artisan fishing	Small rural producers	UBN	800
	Development Foundation of Bahamas	1984	265,000	Commercial, service and manufacturing	Crafts	Microentrepreneurs	Accumulation	210
	Hopedale Foundation Ltd.	1992	620,000	Commercial, service and manufacturing		Microentrepreneurs	Disabled	260
TOTAL BAHAMAS			1,385,000					1,270

Country	Project Name	Year	Total (USD)	Sector	Subsector	Type of beneficiary	Subtype of beneficiary	No. of beneficiaries
Belize	National Development Foundation	1994	650,000	Agro-livestock		Small rural producers	UBN	250
	Enterprise for Sustained Technology Best	1994	650,000	Agro-livestock		Small rural producers	UBN	950
TOTAL BELIZE			1,300,000					1,200
Bolivia	Asociación de Servicios Artesanales y Rurales	1979	500,000	Commercial, service and manufacturing	Crafts	Microentrepreneurs	Accumulation	700
	Centro al Servicio de la Integración Social	1979	675,000	Commercial, service and manufacturing	Crafts	Microentrepreneurs	Accumulation	100
	Acción Rural Agrícola de Desarrollo Organizado (ARADO)	1982	565,000	Agriculture	Potatoes	Small rural producers	<i>Campesinos</i>	1,210
	Cooperativa Multiactiva La Merced Ltda.	1982	500,000	Agro-livestock		Small rural producers	UBN	310
	Central de Cooperativas Agropecuarias Minero Ltda.	1982	536,000	Agro-livestock		Small rural producers	UBN	517
	Fundación EcuMénica para el Desarrollo	1983	445,000	Agro-livestock		Small rural producers	UBN	230
	Asociación Integral de Ganaderos de Camélidos de Los Andes	1983	576,000	Agro-livestock	Camelids	Small rural producers	<i>Campesinos</i>	2,000
	Cooperativa Multiactiva La Merced Ltda.	1986	587,000	Agro-livestock		Small rural producers	UBN	650
	Central de Cooperativas Agropecuarias Minero Ltda.	1986	373,000	Agro-livestock		Small rural producers	UBN	425
	Asociación de Horticultores y Fruticultores	1987	595,000	Agriculture	Fruit and vegetable growing	Small rural producers	UBN	455
	Corporación Regional de Desarrollo de Cochabamba (Cordeco)	1987	595,000	Agro-livestock		Small rural producers	UBN	360
	Centro de Fomento a Iniciativas Económicas (FIE)	1987	630,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	800
	Acción Rural Agrícola de Desarrollo Organizado (ARADO)	1988	593,000	Agriculture	Potatoes	Small rural producers	UBN	310
	Central de Cooperativas Agropecuarias Operación Tierra Linda (Cecoat)	1989	625,000	Agriculture	Quinoa	Small rural producers	UBN	556
	Corporación Regional de Desarrollo del Beni (Cordebene)	1989	610,000	Agro-livestock		Small rural producers	UBN	380
	Centro de Investigación y Desarrollo Regional - (Cidre)	1989	607,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	470
	Corporación Regional de Desarrollo de Potosí	1991	630,000	Agro-livestock		Small rural producers	UBN	300
	Asociación de Mujeres para el Desarrollo (Mupade)	1991	658,000	Commercial, service and manufacturing		Microempresario	Women	350
	Centro de Fomento a Iniciativas Económicas (FIE)	1991	630,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	800
	Fundación para la Promoción y el Desarrollo de la Microempresa (Prodem)	1991	670,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	1,800
	Fundación Boliviana para el Desarrollo de la Mujer (Funbodem)	1992	570,000	Commercial, service and manufacturing		Microentrepreneurs	Women	450
	Asociación Procrédito	1992	512,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	700
	Asociación Procrédito	1994	500,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	835
	Central de Cooperativas Agropecuarias Operación Tierra Linda (Cecoat)	1995	650,000	Agriculture	Quinoa	Small rural producers	UBN	400
	Colonia Pirai	1995	680,000	Agro-livestock		Small rural producers	Youths	500
	Cooperativa Integral de Servicios de Cochabamba Ltda. (CISC)	1995	680,000	Agro-livestock		Small rural producers	UBN	500
	Programa de Desarrollo Agropecuario Integrado	1995	680,000	Agro-livestock		Small rural producers	UBN	500
	Centro Integral de Apoyo de la Mujer (CAIM)	1995	700,000	Commercial, service and manufacturing		Microentrepreneurs	Women	500
	Centro de Apoyo a la Pequeña Industria y Artesanía de Santa Cruz (CAPIA)	1995	700,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	500
	Centro de Fomento a Iniciativas Económicas (FIE)	1995	680,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	400
	Fundación para Alternativas de Desarrollo (Fades)	1997	600,000	Agro-livestock		Small rural producers	<i>Campesinos</i>	800
	Cooperativa de Ahorro y Crédito Jesús Nazareno	1997	600,000	Agro-livestock		Small rural producers	<i>Campesinos</i>	200
	Catholic Relief Services	1999	450,000	Agro-livestock		Microentrepreneurs	Women with UBN	3,000
	Centro de Investigación y Desarrollo Regional (Cidre)	1999	650,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	500
	Asociación Nacional de Productores de Frijol	2000	512,000	Agriculture	Beans	Small rural producers	<i>Campesinos</i>	500
	Asociación Nacional EcuMénica de Desarrollo (ANED)	2001	806,500	Agro-livestock		Small rural producers	UBN	800
	Asociación Provienda	2001	740,000	Housing		Microentrepreneurs	Accumulation	6,000
	Fundación para la Promoción y el Desarrollo de la Microempresa (Prodem)	2002	2,805,000	Agro-livestock		Small rural producers	<i>Campesinos</i>	800
	Fundación Acción Cultural Loyola	2003	537,000	Agriculture	Chili and peanuts	Small rural producers	UBN	400
TOTAL BOLIVIA			25,652,500					31,008
Brazil	Banco do Estado do Ceara S.A.	1981	500,000	Agro-livestock		Small rural producers	<i>Campesinos</i>	150
	Fundación Palacio Gobierno	1982	500,000	Agriculture	Sericulture	Small rural producers	<i>Campesinos</i>	75
	Banco do Estado do Piaui	1983	500,000	Commercial, service and manufacturing		Microentrepreneurs	<i>Campesinos</i>	150
	Asociación de Capricultores del Valle del Alto Ribeira	1984	560,000	Agro-livestock	Goat raising	Small rural producers	<i>Campesinos</i>	470
	Compañía de Desarrollo Industrial de Río Grande do Norte	1988	599,000	Agriculture	Artisan fishing	Small rural producers	UBN	380
	Banco del Estado de Pernambuco	1989	592,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	400
	Banco del Estado de Pernambuco	1989	498,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	1,000
	Centro de Apoyo a Actividades Economicas Informais Ana Terra	1991	630,000	Commercial, service and manufacturing		Microentrepreneurs	Women	1,100

Country	Project Name	Year	Total (USD)	Sector	Subsector	Type of beneficiary	Subtype of beneficiary	No. of beneficiaries
Brazil	Asociación para el Desarrollo de la Mujer en la Economía Informal	1991	650,000	Commercial, service and manufacturing		Microentrepreneurs	Women	1,200
	Centro de Apoyo a Actividades Economicas Informais (Ceape)	1991	650,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	1,200
	Fundación Museo del Hombre Americano	1992	640,000	Agriculture	Beekeeping	Small rural producers	<i>Campesinos</i>	250
	Fundación para el Desarrollo de Comunidades Pesqueras Artesanales	1992	640,000	Agriculture	Artisan fishing	Small rural producers	<i>Campesinos</i>	250
	Manos de Minas	1994	660,000	Commercial, service and manufacturing	Crafts	Microentrepreneurs	Women	3,000
	Serviço Social Salao do Encontro	1994	640,000	Commercial, service and manufacturing	Crafts	Microentrepreneurs	UBN	1,200
	Centro de Apoyo a Pequenos Empreendimentos (Ceape) Brasília	1994	500,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	700
	Centro de Apoyo ay Pequenos Empreendimentos (Ceape) Pernambuco	1994	500,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	700
	Centro de Apoyo a Pequenos Empreendimentos (Ceape) Sergipe	1994	500,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	700
	Federação Nacional de Apoyo a los Pequenos Empreendimentos (Fenape)	1994	500,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	650
	Centro de Tecnologías Alternativas Populares (Cetap)	1995	750,000	Agro-livestock	Dairy farming	Small rural producers	<i>Campesinos</i>	350
	Centro de Estudios, Articulación y Referencia sobre Asentamientos Humanos	1995	750,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	450
	Federação Nacional de Apoyo a los Pequenos Empreendimentos (Fenape)	1995	500,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	650
	Asociación para el Desarrollo de la Mujer en la Economía Informal	1997	650,000	Commercial, service and manufacturing		Microentrepreneurs	Women	700
	Viva Cred	1997	1,000,000	Commercial, service and manufacturing		Microentrepreneurs	UBN	2,400
	Centro de Apoyo a Pequenos Empreendimentos (Ceape) Bahia	1997	650,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	700
	Centro de Apoyo a Pequenos Empreendimentos (Ceape) Espírito Santo	1997	650,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	700
	Centro de Apoyo a Pequenos Empreendimentos (Ceape) Goias	1997	650,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	700
	Centro de Apoyo a Pequenos Empreendimentos (Ceape) Para	1997	650,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	700
	Centro de Apoyo a Pequenos Empreendimentos (Ceape) Paraíba	1997	650,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	700
	Centro de Apoyo a Pequenos Empreendimentos (Ceape) Pernambuco	1997	650,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	700
	Centro de Apoyo a Pequenos Empreendimentos (Ceape) Piavi	1997	650,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	700
	Centro de Apoyo a Pequenos Empreendimentos (Ceape) Nisia Floresta	1997	650,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	700
	Centro de Apoyo a Pequenos Empreendimentos (Ceape) Rio Grande do Sul	1997	650,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	700
	Centro de Apoyo a Pequenos Empreendimentos (Ceape) Judite Oliveira	1997	650,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	700
	Centro de Apoyo a Pequenos Empreendimentos (Ceape) Sao Pablo	1997	650,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	700
	Centro de Apoyo a Pequenos Empreendimentos (Ceape) Brasília	1997	650,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	700
	Fundación Teotonio Vilela	1998	600,000	Renewable energy		Small rural producers	<i>Campesinos</i>	1,500
	Cooperativa Valetense de Crédito Rural Ltda (Coopere)	1999	500,000	Agro-livestock		Small rural producers	<i>Campesinos</i>	600
	Instituto Forestal de Minas Gerais	2001	223,500	Agriculture	Flower production	Small rural producers	UBN	1,000
TOTAL BRAZIL			23,032,500					29,625
Chile	Corporación WWB Finanzas Internacionales y Nacionales para la Mujer (Finam)	1991	615,000	Commercial, service and manufacturing		Microentrepreneurs	Women	650
	Corporación de Promoción para la Pequeña Empresa (Propesa)	1991	630,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	1,500
	Cooperativa de Ahorro y Crédito Liberación Ltda	1991	635,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	250
	Corporación de Promoción Social de Valdivia - Manos de Valdivia	1992	648,000	Commercial, service and manufacturing	Crafts	Microentrepreneurs	Women	750
	Fundación Trabajo para un Hermano	1993	650,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	2,500
	Fundación Contigo	1993	650,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	2,500
	Fundación Tiempos Nuevos	1995	650,000	Commercial, service and manufacturing	Crafts	Microentrepreneurs	Accumulation	1,800
	Corporación WWB Finanzas Internacionales y Nacionales para la Mujer (Finam)	1995	650,000	Commercial, service and manufacturing		Microentrepreneurs	Women	1,000
	Cooperativa de Ahorro y Crédito Liberación Ltda	1995	650,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	500
	Corporación de Promoción para la Pequeña Empresa (Propesa)	1995	630,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	1,000
	Fundación Sointral	1995	650,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	715
	Cooperativa de Ahorro y Crédito de Talagante (Coocretal)	1997	475,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	350
	Fundación Tiempos Nuevos	1998	145,000	Commercial, service and manufacturing	Crafts	Microentrepreneurs	Accumulation	3,000
	Confederación Nacional de Federación de Cooperativas Campesinas (Campocoop)	1999	502,000	Agriculture	Fruit and vegetable growing	Small rural producers	<i>Campesinos</i>	2,500
	Corporación de Promoción Social de Valdivia - Manos de Valdivia	1999	148,000	Commercial, service and manufacturing	Crafts	Microentrepreneurs	Women	200
	Corporación de Promoción para la Pequeña Empresa (Propesa)	1999	130,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	4,500
	Fundación Eduardo Frei	2001	108,800	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	22,000
TOTAL CHILE			8,566,800					45,715

Country	Project Name	Year	Total (USD)	Sector	Subsector	Type of beneficiary	Subtype of beneficiary	No. of beneficiaries
Colombia	Fundación Educativa para el Desarrollo Agropecuario Nacional	1978	320,000	Agro-livestock		Small rural producers	<i>Campesinos</i>	700
	Artesanías de Colombia	1979	510,000	Commercial, service and manufacturing	Crafts	Microentrepreneurs	Accumulation	500
	Fundación Carvajal	1979	500,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	974
	Grupo Precooperativo Talleres Rurales del Valle Ltda.	1980	550,000	Commercial, service and manufacturing	Crafts	Microentrepreneurs	Women	800
	Corporación Fabricato para el Desarrollo de Antioquia	1981	795,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	500
	Fundación Empresa Privada Compartir	1981	515,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	330
	Fundación para el Desarrollo de Santander	1981	309,600	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	250
	Corporación para el Desarrollo de Caldas	1981	309,600	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	250
	Fundación Carlos Sarmiento Lora	1982	500,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	500
	Corporación para el Desarrollo del Cauca	1983	309,600	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	350
	Fundación Projuventud Trabajadora	1983	510,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	375
	Fundación Barranquilla (Mario Santodomingo)	1983	500,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	500
	Corporación El Minuto de Dios	1983	500,000	Housing		Microentrepreneurs	Accumulation	210
	Fundación para el Desarrollo del Litoral Pacífico	1984	520,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	700
	Fundación Carvajal	1984	250,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	150
	Fundación Projuventud Trabajadora	1984	250,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	150
	Fundación Empresa Privada Compartir	1984	250,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	150
	Microempresas de Antioquia	1984	250,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	150
	Fundación para el Desarrollo Industrial, Comercial y Artesanal de la Guajira	1985	150,000	Commercial, service and manufacturing	Crafts	Microentrepreneurs	Accumulation	125
	Corporación para el Desarrollo del Cauca	1985	200,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	150
	Fundación para el Desarrollo Industrial, Comercial y Artesanal de la Guajira	1986	620,000	Commercial, service and manufacturing	Crafts	Microentrepreneurs	Accumulation	645
	Fundación para la Aplicación y Enseñanza de las Ciencias	1988	572,000	Agro-livestock		Small rural producers	<i>Campesinos</i>	470
	Fundación para el Desarrollo de la Juventud Rural	1988	575,000	Agro-livestock		Small rural producers	Youths	75
	Central Cooperativa Financiera para la Promoción Social	1989	500,000	Agriculture	Beans	Small rural producers	<i>Campesinos</i>	500
	Promotora de Servicios Microempresariales	1989	479,000	Agro-livestock		Small rural producers	<i>Campesinos</i>	900
	Promotora de Comercio Social	1990	591,000	Commercial, service and manufacturing		Small rural producers	<i>Campesinos</i>	1,400
	Fundación Banco Mundial de la Mujer Cali (WWB)	1991	603,000	Commercial, service and manufacturing		Microentrepreneurs	Women	1,200
	Corporación Mundial de la Mujer Medellín (WWB)	1991	603,000	Commercial, service and manufacturing		Microentrepreneurs	Women	1,200
	Fundación Mundo Mujer Popayán (WWB)	1991	603,000	Commercial, service and manufacturing		Microentrepreneurs	Women	1,200
	Fundación Mundial de la Mujer Bucaramanga (WWB)	1991	603,000	Commercial, service and manufacturing		Microentrepreneurs	Women	1,200
	Corporación Mundial de la Mujer Colombia (WWB Bogotá)	1991	603,000	Commercial, service and manufacturing		Microentrepreneurs	Women	1,200
	Fundación Corona	1991	660,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	460
	Corporación ACTUAR por Antioquia	1991	603,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	1,200
	Corporación ACTUAR por Bogotá	1992	603,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	2,500
	Corporación ACTUAR por Tolima	1992	603,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	2,500
	Corporación ACTUAR por Caldas	1992	603,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	2,500
	Corporación ACTUAR por Quindío	1992	603,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	2,500
	Corporación ACTUAR por Bogotá Región Norte	1992	500,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	2,500
	Cooperativa Emprender	1992	607,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	2,500
	Federación Nacional de Sordos	1995	650,000	Commercial, service and manufacturing		Microentrepreneurs	Disabled	3,000
	Fundación Granja Taller	1995	600,000	Commercial, service and manufacturing		Microentrepreneurs	Disabled	200
	Fundación para el Desarrollo Cooperativo (Fundecoop)	1996	496,000	Agriculture	Artisan fishing	Small rural producers	UBN	300
	Corporación El Minuto de Dios	1998	550,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	300
	Artesanías de Colombia	1999	250,000	Commercial, service and manufacturing	Crafts	Microentrepreneurs	Accumulation	22,000
	Fundación Social de Unión de Bananeros	1999	847,000	Commercial, service and manufacturing	Recycling	Microentrepreneurs	Women with UBN	350
	Corporación para el Desarrollo de Tunia	2001	309,600	Commercial, service and manufacturing	Recycling	Microentrepreneurs	Accumulation	2,000
	Fundación Natura	2003	270,000	Agro-livestock		Small rural producers	UBN	110
	Fundación Carvajal	2003	292,000	Commercial, service and manufacturing	Shopkeepers	Microentrepreneurs	Accumulation	500
	Fundación Proyecto Tecnovo	2003	510,000	Commercial, service and manufacturing	Recycling	Microentrepreneurs	UBN	200
TOTAL COLOMBIA			23,907,400					63,424
Costa Rica	Cooperativa de Pescadores de Punta Arenas	1979	470,000	Agriculture	Artisan fishing	Small rural producers	UBN	200
	Fundación Nacional de Clubes 4S	1979	541,900	Agro-livestock		Small rural producers	Youths	4,200
	Fundación Nacional de Clubes 4S	1980	530,000	Agro-livestock		Small rural producers	Youths	1,000
	Asociación de Obras Sociales La Soledad	1980	500,000	Commercial, service and manufacturing	Crafts	Microentrepreneurs	Accumulation	1,000
	Fundación de Empresarios para el Desarrollo Laboral	1981	524,000	Agroindustry		Small rural producers	UBN	300

Country	Project Name	Year	Total (USD)	Sector	Subsector	Type of beneficiary	Subtype of beneficiary	No. of beneficiaries
Costa Rica	Instituto Nacional de Aprendizaje	1981	530,000	Commercial, service and manufacturing		Microentrepreneurs	Youths with UBN	450
	Asociación Promoción Proyectos Productivos de la Subregión de San Román	1982	561,000	Agroindustry		Small rural producers	UBN	210
	Asociación de Fomento de Proyectos Productivos de la Subregión de Quepos	1982	537,600	Agroindustry		Small rural producers	UBN	530
	Federación de Cooperativas Campesinas de Producción Agropecuaria y Servicios Múltiples	1983	588,600	Agroindustry		Small rural producers	UBN	300
	Asociación para el Desarrollo de Pequeños Empresarios	1984	560,000	Agro-livestock		Small rural producers	UBN	700
	Centro Agrícola Cantonal de Turrialba	1984	549,000	Agro-livestock		Small rural producers	UBN	800
	Centro Agrícola Cantonal de Puriscal	1984	555,000	Agro-livestock		Small rural producers	UBN	500
	Centro Agrícola Cantonal de Tarrazú	1987	590,000	Agriculture	Beekeeping	Small rural producers	UBN	300
	Cooperativa Gogestionaria Agroindustrial de Servicios Múltiples de Cartago	1988	533,000	Agroindustry		Small rural producers	UBN	250
	Asociación Costarricense para Organizaciones de Desarrollo (Acorde)	1988	562,000	Agro-livestock		Small rural producers	UBN	800
	Fundación Integral Campesina Finca	1989	605,000	Agro-livestock		Small rural producers	UBN	1,500
	Avance Microempresarial	1990	587,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	1,200
	Asociación de Ayuda al Pequeño Trabajador y Empresario (Adapte)	1990	590,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	500
	Asociación Costarricense de Desarrollo (Fucodes)	1990	600,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	200
	Centro Agrícola Cantonal de Hojancha	1991	600,000	Agro-livestock		Small rural producers	UBN	200
	Credimujer	1991	410,000	Commercial, service and manufacturing		Microentrepreneurs	Women	300
	Centro Feminista de Información y Acción (Cefémia)	1991	635,000	Commercial, service and manufacturing		Microentrepreneurs	Women with UBN	250
	Fundación Mujer	1991	590,000	Commercial, service and manufacturing		Microentrepreneurs	Women with UBN	400
	Centro de Orientación Familiar	1993	514,600	Agro-livestock		Small rural producers	UBN	380
	Asociación para el Desarrollo Rural Integrado	1993	518,000	Agro-livestock		Small rural producers	UBN	310
	Cooperativa de Servicios Múltiples de Santa Rosa de Alfaro Ruiz (Coopebrisas)	1993	528,000	Agro-livestock		Small rural producers	UBN	350
	Asociación de Productores Artesanales e Industriales de Golfito	1993	527,000	Crafts		Microentrepreneurs	Accumulation	260
	Asociación Cultural Sejektó	1994	676,000	Agriculture	Forestry	Small rural producers	Indigenous	360
	Asociación Protectora de Árboles Arbofilia	1994	674,000	Agriculture	Forestry	Small rural producers	UBN	210
	Cooperativa Agropecuaria y de Servicios Múltiples de la Reserva Indígena de Boruca	1994	679,000	Agro-livestock		Small rural producers	Indigenous	150
	Asociación Costarricense para Organizaciones de Desarrollo (Acorde)	1994	562,000	Agro-livestock		Small rural producers	UBN	500
	Fundación Integral Campesina Finca	1994	605,000	Agro-livestock		Small rural producers	UBN	500
	Asociación de Propietarios de Talleres de Mantenimiento Industrial (Aptamai)	1998	350,000	Commercial, service and manufacturing	Metalworking industry	Microentrepreneurs	Accumulation	270
	Cooperativa de Servicios Múltiples de Santa Rosa de Alfaro Ruiz (Coopebrisas)	1999	600,000	Agriculture	Organic	Small rural producers	UBN	200
	Centro Agrícola Cantonal de Coto Brus	2000	390,000	Agriculture	Vegetable growing	Small rural producers	UBN	520
	Asociación de Productores Agrícolas y de Comercialización (Apaco)	2000	552,000	Agriculture	Vegetable growing	Small rural producers	UBN	300
	Asociación ANDAR	2001	370,000	Agriculture	Organic	Small rural producers	UBN	300
	Asociación de Pequeños Productores de Talamanca	2003	715,000	Agriculture	Organic	Small rural producers	Campesinos	1,500
Fundación para el Desarrollo de las Comunidades del Sur	2003	650,000	Agro-livestock		Microentrepreneurs - UBN	UBN	1,750	
TOTAL COSTA RICA			21,659,700					23,950
Dominican Republic	Acción Social de Promoción Humana Campesina Inc.	1979	525,000	Agro-livestock		Small rural producers	UBN	4,000
	Asociación Cultura Popular Inc.	1980	284,000	Agro-livestock		Small rural producers	UBN	1,200
	Asociación para el Desarrollo de la Provincia de Espaillat	1980	520,000	Agro-livestock		Small rural producers	UBN	750
	Asociación de Mujeres en Desarrollo	1981	305,000	Agro-livestock		Microentrepreneurs	Women	555
	Fundación Nacional para el Desarrollo de la Juventud Rural	1982	277,000	Agro-livestock		Small rural producers	Youths	580
	Fundación para el Desarrollo Comunitario	1983	560,000	Agroindustry		Small rural producers	Campesinos	2,000
	Cáritas Dominicana	1983	590,000	Agro-livestock		Small rural producers	UBN	500
	Asociación para el Desarrollo de la Microempresa (Ademi)	1983	340,000	Commercial, service and manufacturing		Microentrepreneurs	Women	7,000
	Asociación para el Desarrollo Inc.	1983	225,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	200
	Asociación para el Desarrollo de la Microempresa (Ademi)	1984	270,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	7,001
	Mujeres Aplicadas a la Industria Inc. (MAI)	1985	432,000	Agro-livestock		Microentrepreneurs	Women	221
	Asociación para el Desarrollo Inc.	1985	485,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	200
	Asociación para el Desarrollo de la Provincia de Espaillat	1986	553,000	Agro-livestock		Small rural producers	UBN	1,000
	Asociación para el Desarrollo de la Microempresa (Ademi)	1988	595,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	350
	Fundación para el Desarrollo Integral de la Región Este (Fundesire)	1991	620,000	Agro-livestock		Small rural producers	UBN	425
	Promoción de la Mujer (Promatec)	1991	620,000	Commercial, service and manufacturing		Microentrepreneurs	Women	300
	Fundación para el Desarrollo Comunitario (Fudeco)	1992	610,000	Agro-livestock		Small rural producers	UBN	350
	Fundación Empresarial para el Desarrollo y Servicios (Fundeser)	1992	380,000	Agro-livestock		Small rural producers	UBN	350

Country	Project Name	Year	Total (USD)	Sector	Subsector	Type of beneficiary	Subtype of beneficiary	No. of beneficiaries	
Dominican Republic	Asociación para el Desarrollo de San José de Oca	1992	630,000	Agro-livestock		Small rural producers	UBN	350	
	Fundación Dominicana para el Desarrollo	1992	610,000	Agro-livestock		Small rural producers	UBN	350	
	Floresta Inc.	1992	640,000	Agro-livestock		Small rural producers	UBN	150	
	Asociación Dominicana para el Desarrollo de la Mujer (Adopem)	1992	615,000	Commercial, service and manufacturing		Microentrepreneurs	Women	1,100	
	Instituto Dominicano de Desarrollo Integral IDDI	1992	620,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	1,000	
	Fondo para el Financiamiento de la Microempresa Inc.	2002	1,800,000	Agro-livestock		Small rural producers	UBN	1,500	
TOTAL DOMINICAN REPUBLIC			13,106,000					31,432	
Ecuador	Central Ecuatoriana de Servicios Agrícolas	1979	575,000	Agriculture	Artisan fishing	Small rural producers	UBN	50	
	Fondo Ecuatoriano Popularium Progressio	1980	500,000	Agro-livestock		Small rural producers	UBN	1,840	
	Cooperativa de Producción Artesanal Atahualpa	1980	534,000	Commercial, service and manufacturing	Cabinet-making	Microentrepreneurs	Accumulation	1,040	
	Fundación de Clubes 4F	1982	590,000	Commercial, service and manufacturing		Microentrepreneurs	Youths with UBN	500	
	Federación Nacional de Cooperativas de Producción Agrícola y Mercadeo	1983	548,000	Agriculture	Rice	Small rural producers	UBN	500	
	Centro Andino de Acción Popular	1983	600,000	Commercial, service and manufacturing	Crafts	Small rural producers	Indigenous	800	
	Comité del Fondo Ecuménico de Préstamos del Ecuador	1984	580,000	Agro-livestock		Small rural producers	UBN	600	
	Centro del Muchacho Trabajador	1985	576,000	Commercial, service and manufacturing		Microentrepreneurs	Youths with UBN	350	
	Unión de Organizaciones Campesinas Agropecuarias de Vinces y Baba	1987	932,000	Agriculture	Rice	Small rural producers	UBN	2,600	
	Fundación Guayaquil	1987	576,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	1,800	
	Fundación Ecuatoriana de Desarrollo	1987	580,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	2,000	
	Fundación Eugenio espejo	1989	430,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	300	
	Fundación de la Unión de Organizaciones Campesinas de Salinas	1990	652,000	Agro-livestock		Small rural producers	Indigenous	1,400	
	Fundación Nuestros Jóvenes	1990	643,000	Commercial, service and manufacturing		Microentrepreneurs	Youths with UBN	300	
	Corporación femenina Ecuatoriana	1992	636,000	Commercial, service and manufacturing		Microentrepreneurs	Women	1,600	
	Fundación Ecuatoriana de Desarrollo	1992	610,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	1,600	
	Fundación Vicente Rocafuerte	1992	635,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	1,600	
	Instituto de Investigaciones Socioeconómicas y Tecnológicas (Insotec)	1992	625,000	Commercial, service and manufacturing	Textile industry	Microentrepreneurs	Accumulation	1,600	
	Fundación Maquita Cushunchic Comercializando como Hermanos	1995	662,000	Commercial, service and manufacturing		Small rural producers	UBN	16,000	
	Centro de Promoción del Empleo para el Sector Informal Urbano	1995	576,000	Commercial, service and manufacturing	Cabinet-making	Microentrepreneurs	Accumulation	100	
	Federación Interprovincial de Centros Shuar Achuar Fichsa	1996	675,000	Agroindustry		Small rural producers	Indigenous	800	
	Confederación de Nacionalidades Indígenas de la Amazonia Ecuatoriana	1996	657,000	Agro-livestock		Small rural producers	Indigenous	2,850	
	Federación Provincial de Trabajadores Agrícolas Autónomas del Chimborazo	1996	675,000	Agro-livestock		Small rural producers	Indigenous	15,000	
	Catholic Relief Services	1998	830,000	Agro-livestock		Small rural producers	UBN	450	
	Fundación Gestión de Residuos Sólidos	1999	256,000	Commercial, service and manufacturing	Recycling	Microentrepreneurs	UBN	200	
	Fundación Casa Campesina de Cayambe	2001	540,000	Agro-livestock		Small rural producers	Indigenous	2,200	
	Fundación Espoir	2001	560,000	Health		Microentrepreneurs	Women with UBN	1,800	
	Red Financiera Rural	2002	1,935,000	Agro-livestock		Small rural producers	UBN	2,000	
	TOTAL ECUADOR			18,188,000					61,880
	El Salvador	Fundación Salvadoreña de Desarrollo y Vivienda Mínima (Fundasal)	1979	500,000	Commercial, service and manufacturing		Small rural producers	UBN	650
		Asociación Cooperativa de Producción Agropecuaria y Servicios Múltiples El Castaño R.L.	1983	115,000	Agriculture	Fruit and vegetable growing	Small rural producers	UBN	0
		Asociación Cooperativa de Producción Agropecuaria y Servicios Múltiples El Castaño R.L.	1985	435,000	Agriculture	Fruit and vegetable growing	Small rural producers	UBN	400
		Federación de Asociaciones Cooperativas de Producción Agropecuaria de El Salvador (Fedecoopades)	1987	620,000	Agriculture	Beans	Small rural producers	UBN	5,600
Fundación Salvadoreña para el Desarrollo Económico y Social (Fusades)		1987	587,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	420	
Universidad Don Bosco		1989	620,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	850	
Asociación Prosuperación Juvenil		1991	650,000	Commercial, service and manufacturing		Microentrepreneurs	Youths with UBN	800	
Asociación para la Organización y Educación Empresarial Femenina		1991	650,000	Commercial, service and manufacturing		Microentrepreneurs	Women with UBN	1,400	
Asociación de Pequeños y Medianos Empresarios Salvadoreños		1991	635,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	1,200	
Fundación José Napoleón Duarte		1991	650,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	500	
Unión de Cooperativas de Cafetaleros de El Salvador de R.L.		1993	650,000	Agriculture	Coffee	Small rural producers	UBN	850	
Cooperativa de Caficultores Grano de Oro de R.L.		1993	650,000	Agriculture	Coffee	Small rural producers	UBN	850	
Fundación Salvadoreña para el Desarrollo Económico y Social (Fusades)		1994	587,000	Agroindustry		Microentrepreneurs	Women	1,000	
Fundación Salvadoreña Educación y Trabajo		1994	642,000	Commercial, service and manufacturing		Microentrepreneurs	Youths	400	
Fundación Antidrogas Fundasalva	1994	642,000	Commercial, service and manufacturing	Textile industry	Microentrepreneurs	Youths with UBN	200		
Agencia de Desarrollo Local de Morazán	1998	665,000	Commercial, service and manufacturing		Microentrepreneurs	UBN	750		

Country	Project Name	Year	Total (USD)	Sector	Subsector	Type of beneficiary	Subtype of beneficiary	No. of beneficiaries
	Comité de Proyección Social	1999	250,000	Commercial, service and manufacturing	Crafts	Microentrepreneurs	Accumulation	150
	Fundación para la Promoción de Productos y Personas de Negocios Salvadoreños	1999	160,000	Commercial, service and manufacturing	Crafts	Microentrepreneurs	Accumulation	150
	Cámara Salvadoreña de Artesanos	1999	160,000	Commercial, service and manufacturing	Crafts	Microentrepreneurs	Accumulation	150
	Cooperativa Nuevo Amanecer	1999	100,000	Commercial, service and manufacturing	Crafts	Microentrepreneurs	Accumulation	150
	Fundación Salvadoreña de Desarrollo y Vivienda Mínima (Fundasal)	1999	300,000	Commercial, service and manufacturing	Crafts	Microentrepreneurs	UBN	200
	Cooperativa La Palma	2001	125,000	Agriculture	Coffee	Small rural producers	UBN	32
	Asociación Salvadoreña de Desarrollo Integral (ASDI)	2002	259,000	Agriculture	Fruit and vegetable growing	Small rural producers	UBN	745
	Sociedad Cooperativa de Productores de Marañón	2002	610,000	Agriculture	Cashew	Small rural producers	UBN	550
	Fundación Usulután II	2003	1,225,000	Agriculture	Shrimp	Small rural producers	UBN	900
	Sinergia: Responsabilidad Social de las Empresas para el Desarrollo del Pequeño Productor	2003	1,150,000	Agro-livestock		Small rural producers	Campesinos	0
TOTAL EL SALVADOR			13,637,000					18,897
Guatemala	Instituto de Asuntos Culturales	1980	303,000	Agro-livestock		Small rural producers	Campesinos	200
	Cooperativa de Ahorro y Crédito Kato Ki	1980	545,000	Agro-livestock		Small rural producers	Campesinos	1,000
	Fundación Clínica Behrhorst	1980	110,000	Community Sanitation		Small rural producers	UBN	10,000
	Federación de Cooperativas Agrícolas de Café de Guatemala R.L. (Fedecocagua)	1982	430,000	Agriculture	Coffee	Small rural producers	Campesinos	1,000
	Hogar y Desarrollo	1983	377,000	Commercial, service and manufacturing		Microentrepreneurs	UBN	1,500
	Fundación Desarrollo de la Mujer	1984	380,000	Agro-livestock		Microentrepreneurs	Women	400
	Movimiento Guatemalteco de Reconstrucción Rural	1985	325,000	Agro-livestock		Small rural producers	Campesinos	300
	Cooperativa Agropecuaria Cafetalera y de Servicios Varios El Asintal R.L.	1987	604,800	Agriculture	Coffee	Small rural producers	Campesinos	220
	Federación de Cooperativas Agrícolas de Café de Guatemala R.L. (Fedecocagua)	1987	590,000	Agroindustry		Small rural producers	Campesinos	500
	Asociación para el Desarrollo Comunitario	1988	358,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	240
	Fundación de Asistencia para la Pequeña Empresa	1988	485,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	320
	Movimiento Guatemalteco de Reconstrucción Rural	1989	325,000	Agro-livestock		Small rural producers	Campesinos	1,325
	Fundación para el Desarrollo de la Mujer	1989	292,000	Commercial, service and manufacturing		Microentrepreneurs	Women	300
	Fundación para el Desarrollo de la Pequeña Empresa	1989	610,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	475
	Fundación Guatemala	1991	485,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	500
	Fundación para el Desarrollo de Mixco (Fundemix)	1991	485,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	500
	Fundación de Desarrollo Empresarial (Fundesem)	1991	485,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	500
	Fundación para el Desarrollo de la Microempresa	1991	485,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	500
	Asociación de Agricultores de Aguacatán	1993	650,000	Agriculture	Garlic	Small rural producers	Indigenous	1,077
	Fundación de Asesoría Financiera a Instituciones de Desarrollo y Servicio Social (FAFIDESS)	1993	650,000	Agro-livestock		Microentrepreneurs	Women with UBN	1,620
	Fundación para el Desarrollo de Programas Socioeconómicos Fundap Fe y Alegría	1993	620,000	Agro-livestock		Small rural producers	Campesinos	1,200
	Asociación para el Desarrollo del Potencial Humano - ADEPH	1993	650,000	Agro-livestock		Small rural producers	Campesinos	1,000
	Fundación Conservación Internacional	1994	726,000	Commercial, service and manufacturing	Recycling	Small rural producers	Indigenous	1,540
	Federación de Cooperativas Agrícolas de Café de Guatemala R.L. (Fedecocagua)	1998	850,000	Agriculture	Coffee	Small rural producers	Campesinos	7,000
	Asociación Chajulense Val Vak Kuyol	1998	650,000	Agriculture	Coffee	Small rural producers	UBN	1,200
	Fundación de Asesoría Financiera a Instituciones de Desarrollo y Servicio Social (FAFIDESS)	1998	675,000	Agro-livestock		Microentrepreneurs	Women with UBN	1,500
	Fundación para la Educación y Desarrollo de la Mujer Indígena Talita Kumi (Fudemi)	1999	662,000	Agro-livestock		Microentrepreneurs	Women	1,600
	Asociación para el Desarrollo Integral de San Antonio Llotenanco	2001	750,000	Agro-livestock		Small rural producers	Campesinos	1,500
	Fundación para la Seguridad Alimentaria Rural Equitativa y Sostenible (SARES)	2002	300,000	Agriculture	Beekeeping	Small rural producers	Indigenous	1,500
	Cooperativa Nuevo Horizonte	2002	250,000	Agro-livestock		Small rural producers	Campesinos	110
	Centro Municipal de Servicios para el Desarrollo Agroindustrial de Sumpago	2002	407,000	Agro-livestock		Small rural producers	Campesinos	550
	Asociación Grupo Ceiba	2003	287,000	Commercial, service and manufacturing		Microentrepreneurs	Youths with UBN	220
TOTAL GUATEMALA			16,451,800					42,097
Guyana	Greater Georgetown Fishermen Cooperative Society Inc	1980	500,000	Agriculture	Artisan fishing	Small rural producers	UBN	800
	Organización Educativa de Sardovaya Sardeo	1981	326,000	Agroindustry		Small rural producers	UBN	350
	Cooperative Credit Union, Ltd.	1984	402,000	Agro-livestock		Small rural producers	UBN	250

Country	Project Name	Year	Total (USD)	Sector	Subsector	Type of beneficiary	Subtype of beneficiary	No. of beneficiaries
	Instituto para el Desarrollo de la Pequeña Empresa Ltda.	1987	331,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	150
TOTAL GUYANA			1,559,000					1,550
Haiti	Fundación Haitiana de Desarrollo (HDF)	1980	546,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	850
	Sociedad de Artesanos Haitianos	1981	393,000	Commercial, service and manufacturing	Crafts	Microentrepreneurs	Accumulation	500
	La Minoterie de Haïti	1982	1,353,000	Agroindustry		Small rural producers	UBN	900
	Organización Comunitaria Coude à Coude pour le Developpement de la Vallee	1985	334,000	Agro-livestock		Small rural producers	UBN	1,000
	Fondo Haitiano de Ayuda a la Mujer	1988	465,000	Commercial, service and manufacturing		Microentrepreneurs	Women with UBN	150
	Association Les Ateliers Ecôles de Camp Perrin	1989	545,000	Commercial, service and manufacturing	Crafts	Microentrepreneurs	Accumulation	140
	Centro para el Desarrollo y la Salud	1989	618,000	Commercial, service and manufacturing	Blacksmithing	Small rural producers	UBN	400
	Asociación Haitiana de Entidades Voluntarias	1990	664,000	Agro-livestock		Small rural producers	Campesinos	900
	Organización para la Rehabilitación del Medio Ambiente	1995	403,000	Agriculture	Germplasm	Small rural producers	UBN	250
	Fondo Haitiano de Ayuda a la Mujer	1995	515,000	Commercial, service and manufacturing		Microentrepreneurs	Women with UBN	650
	Sociedad Haitiana de Ahorro y Crédito	1995	597,000	Commercial, service and manufacturing		Microentrepreneurs	Women with UBN	650
TOTAL HAITI			6,433,000					6,390
Honduras	Cooperativa Agropecuaria Regional Atlántida Limitada	1979	365,000	Agro-livestock		Small rural producers	UBN	1,042
	Asociación San José Obrero de Choluteca	1980	530,000	Agroindustry		Small rural producers	UBN	1,230
	Centro de Desarrollo Integral	1980	500,000	Commercial, service and manufacturing	Crafts	Microentrepreneurs	Accumulation	132
	Federación Hondureña de Cooperativas Industriales Ltda.	1981	565,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	366
	Instituto para el Desarrollo Hondureño	1982	460,000	Agro-livestock		Small rural producers	UBN	800
	Asociación Hondureña para el Desarrollo de la Juventud y la Mujer Rural	1984	388,000	Agro-livestock		Small rural producers	Youths	450
	Federación Hondureña de Cooperativas Industriales Ltda.	1985	600,000	Commercial, service and manufacturing		Microentrepreneurs	UBN	410
	Federación de Asociaciones de Productores y Exportadores Agropecuarios y Agroindustriales de Honduras	1986	500,000	Agriculture	Vegetable growing	Small rural producers	UBN	339
	Asociación Prodesarrollo de las Islas de la Bahía	1986	578,000	Agro-livestock		Microentrepreneurs	UBN	700
	Asesores para el Desarrollo	1986	560,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	820
	Fundación Nacional de Desarrollo de Honduras (Funadeh)	1987	575,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	300
	Federación de Organizaciones Privadas de Desarrollo de Honduras	1988	568,000	Commercial, service and manufacturing		Microentrepreneurs	UBN	750
	Asociación de Productores de Cacao de Honduras (Aprocacaho)	1991	620,000	Agro-livestock		Small rural producers	UBN	500
	Centro Asesor para el Desarrollo de los Recursos Humanos en Honduras	1991	620,000	Agro-livestock		Small rural producers	UBN	500
	Fundación Hondureña para el Desarrollo de la Mujer (Funhdemu)	1992	628,000	Commercial, service and manufacturing		Microentrepreneurs	Women	1,100
	Organización de Desarrollo Empresarial Femenino (ODEF)	1992	646,000	Commercial, service and manufacturing		Microentrepreneurs	Women	1,100
	Fundación Internacional para la Asistencia Comunitaria de Honduras (FINCA)	1993	630,000	Agro-livestock		Small rural producers	UBN	1,000
	Federación de Desarrollo Comunitario de Honduras (Fedecoh)	1993	470,000	Agro-livestock		Small rural producers	UBN	1,200
	Asociación Hermandad de Honduras	1993	570,000	Agro-livestock		Small rural producers	UBN	1,000
	Instituto Hondureño de Bienestar Rural	1993	570,000	Agro-livestock		Small rural producers	UBN	1,000
	Cooperativa Mixta Ocotepaque	1998	800,000	Commercial, service and manufacturing		Microentrepreneurs	UBN	650
	Fundación Finacoop	1999	430,000	Agro-livestock		Microentrepreneurs	Women with UBN	200
	Casa Gari	2001	310,000	Agriculture	Yucca	Microentrepreneurs	Women with UBN	120
	Unidad de Servicios de Apoyo para Fomentar la Participación de la Mujer (Unisa)	2001	235,000	Agro-livestock		Microentrepreneurs	Women with UBN	400
	Asociación de Desarrollo Integral Comunitario	2001	290,000	Agro-livestock		Small rural producers	UBN	400
	Cooperativa Cafetalera Siguatepeque Limitada	2002	830,000	Agriculture	Coffee	Small rural producers	UBN	200
	Banco Hondureño del Café (Banhcafé)	2003	848,000	Agriculture	Beekeeping	Small rural producers	Campesinos	300
TOTAL HONDURAS			14,686,000					17,009
Jamaica	Woburn Lawn Economic Development Corporation Edc.	1979	112,500	Commercial, service and manufacturing		Small rural producers	UBN	600
	Community Economic Organization Company Ltd.	1980	527,000	Agro-livestock		Microentrepreneurs	Youths with UBN	500
	Projects for people Ltd.	1982	325,000	Agro-livestock		Microentrepreneurs	UBN	250
	Jamaica 4H Clubes	1984	600,000	Agro-livestock		Small rural producers	Youths with UBN	750
	Fundación Nacional de Desarrollo de Jamaica	1986	214,500	Agro-livestock		Microentrepreneurs	Accumulation	225
	Jamaica Cooperative Credit Union league Ltd.	1988	553,000	Agro-livestock		Small rural producers	UBN	250
TOTAL JAMAICA			2,332,000					2,575
Mexico	Asesoría Dinámica a Microempresas (Admic)	1981	770,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	450
	Fondo Mixto para el Fomento Industrial de Michoacán (Fomich)	1983	500,000	Commercial, service and manufacturing	Crafts	Microentrepreneurs	Accumulation	450

Country	Project Name	Year	Total (USD)	Sector	Subsector	Type of beneficiary	Subtype of beneficiary	No. of beneficiaries
Mexico	Impulsora Hidalguense de Industria y Comercio S.A.	1984	500,000	Agro-livestock		Small rural producers	UBN	1,000
	Promotora de Puebla	1985	500,000	Agro-livestock		Microentrepreneurs	Accumulation	400
	Desarrollo Rural de Chihuahua A.C.	1985	300,000	Agro-livestock		Small rural producers	Campesinos	470
	Desarrollo Económico del Estado de Chihuahua A.C.	1985	300,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	200
	Fundación Miguel Alemán A.C.	1986	500,000	Agro-livestock		Small rural producers	UBN	400
	Fundación Mexicana para el Desarrollo Rural A.C.	1988	500,000	Agro-livestock		Small rural producers	UBN	700
	Desarrollo Económico del Estado de Chihuahua A.C.	1988	211,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	150
	Fondo para el Fomento Estatal de las Actividades Productivas de Oaxaca	1989	522,000	Agro-livestock		Microentrepreneurs	Accumulation	700
	Desarrollo Rural de Chihuahua A.C.	1989	200,000	Agro-livestock		Small rural producers	Campesinos	250
	Asesoría Dinámica a Microempresas (Admic)	1990	585,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	1,500
	Fomento y Desarrollo de Jalisco A.C.	1991	595,000	Agro-livestock		Small rural producers	Campesinos	800
	Movimiento de Promoción Rural A.C.	1991	595,000	Agro-livestock		Small rural producers	UBN	750
	Desarrollo Rural de Saltillo A.C.	1991	595,000	Agro-livestock		Small rural producers	UBN	800
	Fundación Integral Comunitaria A.C. (Finca)	1993	620,000	Agro-livestock		Microentrepreneurs	Women with UBN	650
	Central de Promoción Rural de Acayucán A.C.	1993	635,000	Agro-livestock		Small rural producers	UBN	1,700
	Asociación de Agricultores de Acatlán de Juárez A.C.	1993	635,000	Agro-livestock		Small rural producers	UBN	1,800
	Fundación Los Emprendedores	1993	610,000	Commercial, service and manufacturing		Microentrepreneurs	Women with UBN	1,700
	Asociación Programa Compartamos I.A.P.	1993	650,000	Commercial, service and manufacturing		Microentrepreneurs	Women with UBN	650
	Central de Servicios para el Desarrollo del Estado de México (Cemedex)	1995	680,000	Agro-livestock		Small rural producers	Campesinos	750
	Fundación Queretana para el Desarrollo Rural	1995	680,000	Agro-livestock		Small rural producers	Campesinos	800
	Central de Servicios para el Desarrollo de Puebla (Depac)	1995	680,000	Agro-livestock		Small rural producers	Campesinos	800
	Asociación Mexicana de Artes y Cultura Populares	1996	600,000	Commercial, service and manufacturing	Crafts	Microentrepreneurs	Accumulation	860
	Sociedad de Solidaridad Social Sanzekan Tinemi	1996	750,000	Commercial, service and manufacturing	Crafts	Microentrepreneurs	Accumulation	1,340
	Sociedad Solidaridad Social Productores Agro-livestocks de la Selva Lacandona	1998	627,000	Agriculture	Beekeeping	Small rural producers	UBN	750
	Unión Regional de Ejidos de Producción y Comercialización Agropecuaria de Costa Chica	1998	602,000	Agriculture	Beekeeping	Small rural producers	UBN	150
	Coordinadora Estatal de Productores de Café de Oaxaca A.C.	1998	505,000	Agriculture	Coffee	Small rural producers	Campesinos	3,600
	Asociación de Empresarias Mexicanas	1998	370,000	Agro-livestock		Microentrepreneurs	Women	575
	Asesoría Dinámica a Microempresas ADMIC Oaxaca	1998	416,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	3,200
	Programa Cafetalero Tzilib Babi	1999	425,000	Agriculture	Coffee	Small rural producers	Campesinos	250
	Comité Promotor Investigación para el Desarrollo	1999	560,000	Agro-livestock		Small rural producers	Indigenous	450
	Instituto de Desarrollo Rural Maya	1999	355,000	Agro-livestock		Small rural producers	Indigenous	790
	Sociedad de Productores de Agave del Sur	2000	608,000	Agriculture		Small rural producers	UBN	287
	Federación Indígena Ecológica de Chiapas	2000	1,173,579	Agriculture	Coffee	Small rural producers	Indigenous	750
	Pequeños Proyectos México	2000	250,000	Agro-livestock		Small rural producers	Campesinos	200
	Sociedad de Solidaridad Social Kiee Lu'u	2000	391,000	Agro-livestock		Small rural producers	Indigenous	250
	Centro de Agroecología San Francisco de Asís	2000	690,000	Agro-livestock		Small rural producers	Indigenous	2,230
	Fundación Mexicana para el Desarrollo Rural A.C.	2000	598,000	Agro-livestock		Small rural producers	UBN	850
	Desarrolladora de Emprendedores A.C.	2000	790,000	Agro-livestock		Small rural producers	UBN	650
	Pronatura de Chiapas A.C.	2002	698,000	Agriculture	Organic	Small rural producers	Indigenous	750
	Comunidades Campesinas en Camino de Cultivos Orgánicos	2002	698,000	Agriculture	Organic	Small rural producers	Campesinos	800
	Proyecto de Desarrollo del Area de Montaña Amuzga S.P.R. de R.L.	2002	454,000	Agro-livestock		Small rural producers	Campesinos	800
	Consejo Coordinador de Cajas Solidarias de Oaxaca	2002	688,000	Agro-livestock		Small rural producers	Campesinos	650
	Segunda Suela S.A. de C.V.	2003	724,000	Commercial, service and manufacturing	Shoe repair	Microentrepreneurs	Accumulation	185
TOTAL MEXICO			25,335,579					38,237
Nicaragua	Servicios Agro-livestocks Esquipulas	1979	524,000	Agriculture	Cotton	Small rural producers	UBN	800
	Cooperativa Santa Ana	1979	590,500	Agriculture	Cotton	Small rural producers	UBN	800
	Instituto Nicaragüense de Desarrollo	1979	500,000	Agriculture	Coffee	Small rural producers	UBN	150
	Cooperativa Regional de Cafetaleros de Oriente	1979	549,000	Agriculture	Coffee	Small rural producers	UBN	350
	Fundación Nicaragüense de Desarrollo (Funde)	1979	500,000	Agro-livestock		Small rural producers	UBN	400
	Banco de Crédito Popular	1980	527,000	Commercial, service and manufacturing	Crafts	Microentrepreneurs	Accumulation	185
	Cooperativa de la Industria del Calzado de Masaya	1980	520,000	Commercial, service and manufacturing	Footwear	Microentrepreneurs	Accumulation	200
	Asociación Nacional de Clubes 4S	1981	402,000	Commercial, service and manufacturing		Microentrepreneurs	Youths with UBN	250
	Cooperativa de Pescadores Artesanales de Laguna de Perlas	1982	562,000	Agriculture	Artisan fishing	Small rural producers	UBN	200
	Cooperativa de Ebanistas de Managua	1983	579,900	Commercial, service and manufacturing	Cabinet-making	Microentrepreneurs - UBN	UBN	45
	Servicios Agropecuarios Esquipulas	1992	711,800	Agriculture	Cotton	Small rural producers	UBN	200

Country	Project Name	Year	Total (USD)	Sector	Subsector	Type of beneficiary	Subtype of beneficiary	No. of beneficiaries
Nicaragua	Cooperativa Santa Ana	1992	742,200	Agro-livestock		Small rural producers	UBN	200
	Cooperativa La Armonía	1992	661,000	Agro-livestock		Small rural producers	UBN	200
	Asociación de Consultores para el Desarrollo	1992	638,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	1,100
	Cooperativa de Mecánicos y Metalúrgicos de Nicaragua	1992	638,000	Commercial, service and manufacturing	Metalworking industry	Microentrepreneurs	Accumulation	500
	Fundación para el Desarrollo de la Microempresa (Fama)	1993	500,000	Commercial, service and manufacturing		Microentrepreneurs	Women	3,000
	Proarte	1999	622,000	Commercial, service and manufacturing	Crafts	Microentrepreneurs	Accumulation	600
	Fundación La Colmena	2001	95,000	Housing		Microentrepreneurs	Accumulation	400
	Confia	2001	1,035,000	Housing		Small rural producers	UBN	500
	Unión Nacional de Agricultores y Ganaderos	2002	780,000	Agriculture		Small rural producers	<i>Campesinos</i>	650
	Centro de Estudios y Acción para el Desarrollo (Cesade)	2002	985,000	Agriculture	Root crops	Small rural producers	UBN	200
	Cooperativa Aikuki Wal R.L.	2002	534,000	Agro-livestock	Sheep raising	Small rural producers	Indigenous	250
	Asociación de Pueblos en Acción Comunitaria	2003	765,000	Agriculture	Vegetable growing	Small rural producers	<i>Campesinos</i>	500
	Universidad Centroamericana Nitlapán	2003	610,000	Agro-livestock	Livestock	Small rural producers	UBN	200
TOTAL NICARAGUA			14,571,400					11,880
Peru	Instituto Internacional de Investigación y Acción para el Desarrollo	1979	475,000	Agro-livestock	Dairy farming	Small rural producers	UBN	700
	Fundación para el Desarrollo Nacional	1982	640,000	Agriculture	Beekeeping	Small rural producers	UBN	400
	Acción Comunitaria del Perú	1982	550,000	Commercial, service and manufacturing		Microentrepreneurs	UBN	250
	Acción Comunitaria del Perú	1985	582,000	Commercial, service and manufacturing		Microentrepreneurs	UBN	750
	Perú Mujer	1988	355,000	Agroindustry		Microentrepreneurs	Women with UBN	250
	Fundación para el Desarrollo Nacional	1992	470,000	Agriculture	Beekeeping	Small rural producers	UBN	250
	Servicios Educativos Promoción y Apoyo Rural (Separ)	1992	650,000	Agroindustry		Microentrepreneurs	Women	1,000
	Centro de Comunicación e Investigación Aplicada Mujer y Sociedad	1992	440,000	Agro-livestock		Microentrepreneurs	Women	1,000
	Movimiento Manuela Ramos	1992	480,000	Agro-livestock		Microentrepreneurs	Women with UBN	1,000
	Acción Cristiana Unida para el Desarrollo (Acude)	1992	520,000	Agro-livestock		Microentrepreneurs	UBN	100
	Instituto de Fomento a la Comercialización Campesina	1992	590,000	Agro-livestock		Small rural producers	Indigenous	100
	Perú Mujer	1992	680,000	Commercial, service and manufacturing		Microentrepreneurs	Women with UBN	1,000
	Cámara de Comercio y Producción de Piura (CCPP)	1992	630,000	Commercial, service and manufacturing		Microentrepreneurs	UBN	1,300
	Cámara de Comercio, Agricultura e Industria de Lambayeque	1992	630,000	Commercial, service and manufacturing		Microentrepreneurs	UBN	1,300
	Cámara de Comercio y Producción de La Libertas	1992	630,000	Commercial, service and manufacturing		Microentrepreneurs	UBN	1,300
	Cámara de Comercio, Industria y Turismo de Ica	1992	380,000	Commercial, service and manufacturing		Microentrepreneurs	UBN	750
	Cámara de Industria y Comercio de Arequipa	1992	630,000	Commercial, service and manufacturing		Microentrepreneurs	UBN	1,300
	Cámara de Comercio de Lima	1992	630,000	Commercial, service and manufacturing		Microentrepreneurs	UBN	1,300
	Habitat Perú Siglo XXI	1992	800,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	1,500
	Asociación Habitat Trujillo Siglo XXI	1992	600,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	1,500
	Intermediate Technology Development Group (ITDG)	1992	520,000	Renewable energy		Small rural producers	Indigenous	650
	Caja Municipal de Ahorro y Crédito de Sullana	1993	500,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	2,000
	Caja Municipal de Ahorro y Crédito de Trujillo	1993	500,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	2,000
	Caja Municipal de Ahorro y Crédito de Cuzco	1993	500,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	2,000
	Caja Municipal de Ahorro y Crédito de Arequipa	1993	500,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	2,000
	Fondo de Cajas Municipales de Ahorro y Crédito	1993	1,000,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	2,000
	Caja Municipal de Ahorro y Crédito de Santa	1994	500,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	700
	Caja Municipal de Ahorro y Crédito de Maynas	1994	500,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	700
	Caja Municipal de Ahorro y Crédito de Huancayo	1994	500,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	700
	Caja Municipal de Ahorro y Crédito de Ica	1994	500,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	700
	Caja Municipal de Ahorro y Crédito de Paita	1994	500,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	700
	Caja Municipal de Ahorro y Crédito de Tacna	1994	500,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	700
	Asociación Tecnología y Desarrollo	1998	435,000	Agriculture - Forestry	Forestry	Small rural producers	UBN	110
	Centro de Investigación y Promoción del Campesinado	1998	555,000	Agro-livestock		Small rural producers	UBN	1,428
	Asociación Civil Promotora de Obras Sociales y de Instrucción Popular	1998	520,500	Agro-livestock		Small rural producers	UBN	900
	Instituto Peruano de Economía Social	1998	250,000	Community Sanitation		Microentrepreneurs	UBN	200
	Asociación de Productores de Trucha	2000	300,000	Agriculture	Artisan fishing	Small rural producers	Indigenous	182
	Intermediate Technology Development Group (ITDG)	2000	741,000	Renewable energy		Small rural producers	<i>Campesinos</i>	1,700
	Centro de Promoción Integral	2002	850,000	Commercial, service and manufacturing	Crafts	Microentrepreneurs	Accumulation	300
	Promujer Perú	2002	616,000	Commercial, service and manufacturing		Microentrepreneurs	Women with UBN	2,000
	Central Piurana de Cafetaleros	2003	758,000	Agriculture	Coffee	Small rural producers	UBN	2,500
TOTAL PERU			22,907,500					41,220
Panama	Federación de Cooperativas Agrarias Coagro	1981	575,000	Agriculture	Poultry	Small rural producers	UBN	320
	Cooperativa El Porvenir de El Coclesito	1981	251,000	Agriculture	Cocoa	Small rural producers	<i>Campesinos</i>	300

Country	Project Name	Year	Total (USD)	Sector	Subsector	Type of beneficiary	Subtype of beneficiary	No. of beneficiaries
Panama	Patronato de la Juventud Rural Panameña	1982	580,000	Agroindustry		Microentrepreneurs	Youths with UBN	1,400
	Grupo de Tecnología Apropriada	1983	572,000	Agriculture	Beekeeping	Small rural producers	UBN	50
	Cooperativa El Porvenir de El Codesito	1983	312,000	Agriculture	Cocoa	Small rural producers	<i>Campesinos</i>	300
	Cooperativa de Servicios Múltiples Juan XXIII	1985	1,930,000	Agriculture	Poultry	Small rural producers	UBN	200
	Patronato de la Juventud Rural Panameña	1985	580,000	Agroindustry		Small rural producers	Youths	900
	Instituto de Investigación y Educación para el Desarrollo Inedesa	1985	626,000	Agro-livestock		Small rural producers	UBN	300
	Fundación para el Desarrollo Económico y Social (Fundes)	1986	600,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	200
	Cooperativa de Ahorro y Crédito de la Unión Nacional de Pequeñas y Medianas Empresas Miguel Reyna Pupo	1987	325,000	Commercial, service and manufacturing		Microentrepreneurs	UBN	125
	Cooperativa de Ahorro y Crédito de la Unión Nacional de Pequeñas y Medianas Empresas Miguel Reyna Pupo	1995	380,000	Commercial, service and manufacturing		Microentrepreneurs	UBN	60
	Fundación para el Desarrollo Económico y Social FUNDES	1995	600,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	400
	Cooperativa de Servicios Múltiples Juan XXIII	1999	580,000	Agriculture	Poultry	Small rural producers	UBN	100
	Asociación para el desarrollo de las Cajas Rurales (Procaja)	2003	654,000	Agro-livestock		Small rural producers	UBN	8,000
	TOTAL PANAMA			8,565,000				
Paraguay	Central Cooperativa Nacional (Credicoop)	1979	500,000	Agro-livestock		Small rural producers	UBN	580
	Crédito Agrícola de Habilitación	1979	458,000	Agro-livestock		Small rural producers	UBN	800
	Consejo Nacional de Entidades de Beneficencia	1982	667,000	Commercial, service and manufacturing	Crafts	Microentrepreneurs	Accumulation	450
	Banco Nacional de Trabajadores	1982	500,000	Commercial, service and manufacturing	Crafts	Microentrepreneurs	Accumulation	250
	Cooperativa de Ahorro y Crédito de Ñeembucu	1983	372,000	Agriculture	Artisan fishing	Small rural producers	<i>Campesinos</i>	450
	Cooperativa de Ahorro y Crédito de Ñeembucu	1983	201,000	Agriculture	Artisan fishing	Small rural producers	UBN	400
	Consejo Nacional de Entidades de Beneficencia	1984	613,000	Commercial, service and manufacturing	Crafts	Microentrepreneurs	Accumulation	1,085
	Fundación Amistad	1987	314,000	Agro-livestock		Small rural producers	UBN	250
	Fundación Paraguaya de Cooperación y Desarrollo	1987	590,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	500
	Crédito Agrícola de Habilitación	1989	620,000	Agro-livestock		Small rural producers	Indigenous	850
	Fundación Redentorista de Obras Sociales y Educativas del Pilar	1992	607,000	Commercial, service and manufacturing		Small rural producers	UBN	186
	Fundación Amistad	1992	404,000	Commercial, service and manufacturing		Small rural producers	UBN	214
	Fundación Moisés Bertoni para la Conservación de la Naturaleza	1993	630,000	Agro-livestock		Small rural producers	Indigenous	650
	Cooperativa Copafi Aregua	1993	615,000	Commercial, service and manufacturing	Crafts	Small rural producers	UBN	600
	Fundación Industrial	1993	315,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	250
	Fundación Paraguaya de Cooperación y Desarrollo	1994	795,525	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	650
	Cooperativa Agropecuaria e Industrial La Norteña Ycuamandiyú Ltda.	1997	730,000	Agro-livestock		Small rural producers	<i>Campesinos</i>	600
	Fundación Indígena de Desarrollo Agropecuario FIDA	1998	725,000	Agro-livestock		Small rural producers	Indigenous	155
	Cooperativa de Ahorro, Crédito, Producción, Consumo y Servicios Quindy Ltda	1999	575,000	Agro-livestock		Small rural producers	UBN	400
	Fundación Industrial	1999	640,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	1,200
	Asociación de Apicultores del Paraguay (Asap)	2001	660,000	Agriculture	Beekeeping	Small rural producers	UBN	260
	Fundación Paraguaya de Cooperación y Desarrollo	2002	1,285,000	Agro-livestock		Small rural producers	UBN	500
	Fundación Microsol	2002	115,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	400
Federación Paraguaya de Microempresarios (Fepame)	2002	65,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	100	
TOTAL PARAGUAY			12,996,525					11,780
Suriname	Foundation for Microenterprises	1997	77,800	Agro-livestock		Small rural producers	<i>Campesinos</i>	50
	Cámara de Comercio e Industria de Suriname	2003	513,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	100
TOTAL SURINAME			590,800					150
Trinidad and Tobago	Association for Caribbean Transformation	1988	605,000	Agro-livestock		Small rural producers	<i>Campesinos</i>	300
	San Fernando Rehabilitation Center (SFRC)	1989	638,000	Agro-livestock		Microentrepreneurs	Disabled	350
	Trinidad and Tobago Development Foundation	1990	615,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	300
TOTAL TRINIDAD AND TOBAGO			1,858,000					950
Uruguay	Manos del Uruguay	1978	500,000	Commercial, service and manufacturing	Textile industry	Microentrepreneurs	Women	1,500
	Centro Cooperativista Uruguayo	1979	500,000	Agro-livestock		Small rural producers	<i>Campesinos</i>	1,000
	Comisión Nacional de Fomento Rural	1979	510,000	Agro-livestock		Small rural producers	<i>Campesinos</i>	800
	Cooperativa Agropecuaria de Sociedad de Fomento Rural Ltda (Calforu)	1981	490,000	Agro-livestock		Small rural producers	<i>Campesinos</i>	780
	Cooperativa Agropecuaria Limitada de Treinta y Tres (Calitt)	1982	677,000	Agro-livestock	Dairy farming	Small rural producers	<i>Campesinos</i>	130
	Intendencia Municipal de Tacuarembó	1984	568,000	Agro-livestock	Dairy farming	Small rural producers	<i>Campesinos</i>	800
	Fundación Uruguaya de Cooperación y Desarrollo Solidario (Fundasol)	1987	595,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	870
	Asociación Colonos del Uruguay	1990	610,000	Agro-livestock		Small rural producers	<i>Campesinos</i>	150

Country	Project Name	Year	Total (USD)	Sector	Subsector	Type of beneficiary	Subtype of beneficiary	No. of beneficiaries	
Uruguay	Fundación Uruguaya de Ayuda y Asistencia a la Mujer (FUAAM)	1990	426,000	Commercial, service and manufacturing		Microentrepreneurs	Women	300	
	Centro Cooperativista Uruguayo	1991	620,000	Agriculture	Beekeeping	Small rural producers	Youths	300	
	Movimiento de la Juventud Agraria	1992	650,000	Agro-livestock		Small rural producers	Youths	520	
	Sociedad de Fomento Rural La Casilla	1993	598,600	Agro-livestock	Dairy farming	Small rural producers	Campesinos	90	
	Cooperativa Agraria de Young Limitada	1993	567,200	Agro-livestock	Dairy farming	Small rural producers	Campesinos	140	
	Sociedad de Fomento Rural de Durazno	1993	593,400	Agro-livestock	Dairy farming	Small rural producers	Campesinos	120	
	Sociedad de Productores de Leche de Florida	1993	494,600	Agro-livestock	Dairy farming	Small rural producers	Campesinos	135	
	Instituto de Promoción del Uruguay (IPRU)	1995	600,000	Agro-livestock		Small rural producers	Campesinos	300	
	Fundación Uruguaya de Ayuda y Asistencia a la Mujer (FUAAM)	1995	620,000	Commercial, service and manufacturing			Microentrepreneurs	Women	500
	Organización San Vicente	1999	520,400	Commercial, service and manufacturing	Recycling	Microentrepreneurs	UBN	300	
	Asociación Nacional de Productores de Leche	2000	755,000	Agriculture	Beekeeping	Small rural producers	Youths	150	
	TOTAL URUGUAY			10,895,200					8,885
	Venezuela	Centro al Servicio de la Acción Popular (Cesap)	1987	595,000	Agro-livestock		Small rural producers	Campesinos	1,300
		Centro de Educación y Promoción de la Autogestión Indígena	1988	593,000	Agro-livestock		Small rural producers	Indigenous	700
Fundación Eugenio Mendoza		1988	570,000	Commercial, service and manufacturing		Microentrepreneurs	Accumulation	440	
Fundación Colegio Experimental de Agricultura del Mundo Unido Simón Bolívar		1990	590,000	Agro-livestock		Small rural producers	UBN	300	
Asociación Banague		1993	655,000	Commercial, service and manufacturing		Microentrepreneurs	UBN	300	
Asociación Uniandes		1993	655,000	Commercial, service and manufacturing		Microentrepreneurs	UBN	300	
Asociación Nuevo Amanecer		1993	655,000	Commercial, service and manufacturing		Microentrepreneurs	UBN	300	
La Casa del Nuevo Pueblo		1993	655,000	Commercial, service and manufacturing		Microentrepreneurs	UBN	300	
Con Centro Occidente		1993	655,000	Commercial, service and manufacturing		Microentrepreneurs	UBN	300	
Centro El Paragüero		1993	655,000	Commercial, service and manufacturing		Microentrepreneurs	UBN	300	
Asociación El Portachuelo		1993	655,000	Commercial, service and manufacturing		Microentrepreneurs	UBN	300	
Fundación Eugenio Mendoza		1993	640,000	Commercial, service and manufacturing		Microentrepreneurs	UBN	300	
Asociación Civil de Apoyo a Carabobo y Valencia		1993	655,000	Commercial, service and manufacturing		Microentrepreneurs	UBN	750	
Asociación Civil de Apoyo a Carabobo y Barcelona		1993	655,000	Commercial, service and manufacturing		Microentrepreneurs	UBN	750	
Asociación Civil de Apoyo a Carabobo y Lara		1993	655,000	Commercial, service and manufacturing		Microentrepreneurs	UBN	750	
Asociación Civil de Apoyo a Carabobo y Maracaibo		1993	655,000	Commercial, service and manufacturing		Microentrepreneurs	UBN	750	
Asociación Civil de Apoyo a Carabobo y San Cristóbal		1993	655,000	Commercial, service and manufacturing		Microentrepreneurs	UBN	750	
Fundación para el Desarrollo Social (Fundesoc)		1998	300,000	Commercial, service and manufacturing		Microentrepreneurs	UBN	200	
Fundación Proyecto Paria		2001	490,000	Agriculture	Cocoa	Small rural producers	UBN	600	
TOTAL VENEZUELA				11,638,000					9,690
GRAND TOTAL			318,980,779					528,199	