

## SALVADOR

### Fedecredito: A loan to support the activity of 55 financial cooperatives in El Salvador



Flickr : Maria Fleischmann / World Bank

**Fedecredito - Federation of Financial Cooperatives in El Salvador - provides its shareholders with financing obtained from donors. The donors consequently particularly contribute to job creation in the country.**

#### PROJECT DESCRIPTION

Proparco has contributed USD 15m to USD 90m of financing syndicated by FMO, to which DEG, the bank Triodos, and Eco Business Funds have also contributed. This credit line will be earmarked to finance local microenterprises and SMEs.

#### CLIENT PRESENTATION

Fedecredito is a federation of financial cooperatives. Its clients (55 cooperatives) are also its shareholders. The federation acts as a provider of financing for its members (by reallocating credit lines raised from institutions like Proparco) and technical and financial service providers. The "Sistema Fedecredito", group of 55 cooperatives, is the country's 5th largest financial institution, with a loan portfolio of over USD 1.3bn.

#### PROJECT IMPACT

This financing is allowing Proparco to contribute to job creation in the country, with support for some 2,500 local jobs. Over 700 small businesses are expected to benefit from the funds allocated by Proparco. This project is also contributing to developing financial inclusion, as Fedecredito has built a network of 627 outlets in very remote areas, with a real social objective. Finally, the project will contribute to developing SMEs in Salvador, which currently account for 57% of the institution's portfolio.

08/12/2016

Date of signature of the project



Microfinance  
sector(s)



Salvador  
Location



Loan  
Financing tool



14 104 372 Euros  
Amount of funding



Loan of 15 000 000 USD  
Financing details



FEDERACION DE CAJAS DE  
CREDITO Y BANCOS DE  
TRABAJO  
Client

IF-C

CES

**PROPARCO**  
GROUPE AGENCE FRANÇAISE DE DÉVELOPPEMENT