



USAID
DEL PUEBLO DE LOS ESTADOS
UNIDOS DE AMÉRICA

GUARANTEE FUNDS IN EL SALVADOR

INSTRUMENTS OF DEVELOPMENT

July 2007

This publication was produced for review by the United States Agency for International Development. It was prepared by Gabriel Reyes of Chemonics International Inc.

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INSTRUMENTS OF DEVELOPMENT

Contract No. EEM-E-00-05-00006-00, Task Order 2
USAID Financial Services for SMEs Program
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This report was made possible by the generous support of the American people through the United States Agency for International Development (USAID), under the terms of contract no. EEM-E-02-05-00006-00. The opinions expressed herein are those of the author(s) and do not necessarily reflect the views of USAID or the United States Government.

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EXECUTIVE SUMMARY

The Salvadoran economy is turning its attention to micro, small, and medium enterprises (MSMEs), recognizing their importance to the country's entrepreneurial fabric as providers and distributors of goods and services for large firms and for the general economy, for their contribution to gross national production, and for being the largest creators of productive employment in the country.

Despite their contributions to El Salvador's economy, MSMEs encounter many difficulties in accessing credit through the formal financial sector, in part due to their informality, poor financial planning, and lack of collateral to guarantee loans. This lack of access to credit hinders MSMEs' expansion and development.

The Salvadoran financial sector has demonstrated a legitimate interest in serving the MSME market but still faces the aforementioned challenges. One instrument that can act as a catalyst in these circumstances is a Guarantee Fund, which by sharing credit risk with financial intermediaries (FIs), allows them to enter the large MSME market securely and profitably and develop appropriate banking technology to efficiently serve this important segment of the country's productive economy.

While El Salvador has ample experience in guarantees, it has not always been positive. Existing guarantee facilities do not have the capacity to expand credit to all of the businesses that require it. However, they have stimulated interest on the part of banks and savings and credit cooperatives in guarantee mechanisms.

This study concludes that this is an opportune time to create a Guarantee Fund that has the potential to comply with USAID's mission of expanding access to credit to the thousands of micro, small, and medium enterprises in El Salvador and enabling them to grow at more accelerated rates. Interest exists on the part of all actors involved, including government, multilateral development agencies, the financial sector, and the business community. This interest should facilitate development of a new, properly designed entity that can achieve important impacts in the economic development of El Salvador in a short period of time.

INTRODUCTION

As evidenced by recent studies conducted by USAID through its Financial Services for Small and Medium Enterprises (SMEs) Program, there exists a demand for credit from Salvadoran MSMEs that is not being adequately addressed by banks. A recent study conducted by Luis Membreño estimated SME demand as being \$4.4 billion per year, \$877 million of which is classified as personal credit used for productive ends and \$1.6 billion considered to be potential demand not currently being met. These statistics are very attractive for banks wishing to participate in this market.

Recently signed Free Trade Agreements represent an excellent opportunity for improved competitiveness in a great number of small and medium enterprises which are linked to large national and foreign firms as providers of goods and services or as distributors of larger producers. It is this virtuous relationship that permits the Salvadoran economy to grow at adequate rates and generate productive employment needed by society. (The high indexes of crime and delinquency are a direct consequence of the lack of opportunities for thousands of people.) With appropriate public policies, it will be necessary to ensure the financing of this growth of the entrepreneurial sector through formal financial institutions.

The Salvadoran banking sector entered the MSME market only a short time ago and has not yet developed appropriate technology to serve it efficiently. Liquidity in the sector is abundant and demand for credit from both major national and foreign corporations has decreased significantly in recent years however, causing banks to look at the SME segment with great interest. Banks still consider this segment as risky though due to informality, lack of transparency, and scarcity of admissible collateral.

To address these concerns, USAID designed and put into place the Financial Services for Program to provide technical assistance to participating banks to help them securely and profitably implement appropriate services for Salvadoran small and medium enterprises. Other objectives of the project include contributing to the improvement of the institutional and regulatory framework to further enable the development of financial services for this important segment of the Salvadoran economy, and increasing the “bankability” of small and medium enterprises.

In this context, the USAID Financial Services for SMEs Program decided to investigate the capacity of existing guarantee schemes to facilitate access to credit for small and medium enterprises. The Program hoped to present recommendations on possible improvements to existing programs and/or recommendations for creating a Salvadoran Guarantee Fund, similar to the successful National Guarantee Fund model in Colombia.

In this report, I present my observations and recommendations as the result of my visit to El Salvador from July 12 to 27, 2007. A list of the institutions and people whom I interviewed can be found in Annex A. These people were very generous with their time and I am grateful for the courtesy with which they shared their opinions and information.

EVALUATION OF EXISTING GUARANTEE SCHEMES

The foundations for guarantee funds in El Salvador date back to 1973 when the Guarantee Fund for Small Entrepreneurs (FOGAPE) was created by the Multilateral Investment Bank (BMI) to facilitate access to credit for small enterprises. This program was considered a pioneer in Latin America.

After several years of functioning with ups and downs, FOGAPE was liquidated in 2000 and various guarantee programs were created and administrated by BMI, among them PROGAPE designed for small urban and agroindustrial enterprises, PROGARA oriented towards small enterprises in the agricultural sector, PROGAIN that supported medium agroindustrial enterprises, and most recently Garantías y Servicios Reciprocal Guarantee Society (SGR), established in 2004 following the Spanish model. In 2005, USAID put into place a guarantee facility for Salvadoran SMEs known as the Development Credit Authority (DCA) and utilized by two of the country's most important banks.

Currently three organizational models for guarantee schemes exist, including:

- 1) Guarantee Program
- 2) Guarantee Fund
- 3) Reciprocal Guarantee Society.

Guarantee Programs have the following characteristics:

- They do not exist as an independent legal entity
- They are part of a Government or donor program; they are funded by public or donor resources and can be suspended as a result of political decisions
- In general, they use an automatic or portfolio guarantee, where they share risk with the financial intermediary
- They can serve to help direct loans towards an economic sector of special interest
- They don't require a large administrative apparatus
- They can serve a considerable number of enterprises.

In El Salvador, with the exception of Garantías y Servicios SGR, the guarantee facilities are all this type of model.

Guarantee Funds have the following characteristics:

- They are established as separate legal entities
- They have mixed capital, supported by both the public and private sector
- They always apply the principle of risk sharing with financial intermediaries
- They offer individual and automatic guarantees
- They delegate the administration of risk and loan collection to the financial intermediary
- They administer their portfolio in a way that seeks financial sustainability

- They are able to deal with a larger number of enterprises than any of the other guarantee schemes
- They have a greater multiplier effect on credit in relation to capital
- They are considered the most effective system for expanding credit.

Reciprocal Guarantee Societies are identified by the following elements:

- They are private entities
- They have Protector Shareholders and Participant Shareholders
- In the majority of operations, they do not share risk with the financial intermediary, they substitute risk
- They offer individual guarantees to their members, guaranteeing between 70 and 100 percent of the loan, substituting the bank's role of assuming and managing client credit risk
- They evaluate each individual client application, charging them fees and commissions for the evaluation and the guarantee
- They administer the portfolio as well as collections on delinquent loans
- The average loan amount is larger but they attend a smaller number of businesses
- They have the smallest multiplier of credit to capital
- In the majority of countries, their sustainability depends on government subsidies. The refinancing that BMI offers to Garantias y Servicios is an example of this.

EXISTING GUARANTEE FACILITIES IN EL SALVADOR

In the paragraphs below I present a summary of the principle characteristics and achievements of the guarantee schemes in El Salvador.

Guarantee Entity	DCA	Garantías y Servicios	PROGAPE	PROGARA	PROGAIN
Organizational Model	Program	SGR	Program	Program	Program
Sponsor	USAID		BMI	BMI	BMI
Established	2005	2004	2000	2000	2002
Capital	Donor	Mixed	Public	Public	Public
SSF Supervised	No	Yes	Yes	Yes	Yes
Admissible Guarantee	No	Si	Si	Si	Si
Leverage ¹	1	8.33	4	4	4
Multiplier ²	2	1	1.43	2	2
Client Profile ³	MSMEs	MSMEs	Agricultural MSEs	Agricultural MSEs	Agricultural SMEs
Risk Sharing	Yes	No	Yes	Yes	Yes

¹Leverage: Active guarantees/capital of the fund

²Multiplier: Credits/Guarantees

³Micro: up to 10 employees and sales of up to \$68,000 annually; Small: up to 50 employees and sales of up to \$685,000 annually; Medium: up to 200 employees and sales of up to \$7,000,000 annually

Note: A guarantee fund as such does not yet exist in El Salvador, only programs and an SGR.

As an additional incentive to increase access to credit for MSMEs, Salvadoran Law permits the use of certificates issued by guarantee programs as admissible collateral. This would be attractive to banks because the additional collateral reduces loan provisioning requirements. Despite the fact that the banks have carefully studied the services offered by these funds, the funds have not had a noticeable affect on the process of facilitating access to credit to thousands of entrepreneurs. Many banks expressly indicated that they did not consider these funds a good alternative for MSMEs lacking collateral and the statistics on guarantees utilized are evidence of this.

	DCA USAID	G y S, SGR	PROGAPE	PROGARA	PROGAIN
Percent Coverage	50%	100%	50-70%	50-70%	50%
Percent Commission	0.30%	2%-5%	2%-4%	2%	2%-4%
Percent Cost of Association	0.25%	2%	0%	0%	0%
Max. Automatic Credit	\$1,000,000	NA	\$80,000	\$80,000	\$200,000
Max. Credit Evaluated	NA	\$250,000	NA	\$240,000	\$2,000,000
Equity	\$12,000,000	\$3,700,000	\$5,100,000	\$3,400,000	\$1,500,000
Guaranteed Credit ¹	\$6,688,940	\$34,838,510	\$153,121,366	\$202,550,625	\$44,539,814
Guarantees Granted ¹	\$3,344,470	\$34,838,510	\$95,700,854	\$93,322,566	\$22,269,907
Guarantees Paid Out ¹	0	\$218,328	\$485,194	\$830,097	0
Paid as % of Guaranteed	0.00%	0.63%	0.51%	0.89%	0.00%
Active Guarantees	\$3,344,470	\$14,500,000 ²	\$14,824,716	\$12,534,487	\$1,691,253
No. Financial Intermediaries	2	9	10	7	3

¹Accumulated

²Estimated

A. USAID Development Credit Authority (DCA)

USAID's DCA program is characterized by:

- Guarantees of up to 50 percent of the loss of principal for non-state loans
- Full faith and credit of the US Government
- Can be used in conjunction with other instruments of development such as technical assistance and grants
- Once the \$12 million is utilized, it is not possible to apply for additional guarantees under the program. In other words, no more than \$24 million in credit can be leveraged under the program.

Two banks have access to the USAID guarantee and because it is so easy to utilize (it is automatic) and it is anticipated that it will reach its ceiling quickly given the \$12 million available. The only objection of the banks to this guarantee scheme is that payment is made only when the bank has exhausted all collection efforts without success. In other words, DCA shares the net capital losses, which can be determined with relative certainty when the loan is 180 days past due. DCA covers neither current interest nor interest in arrears. DCA has a life of ten years and can be extended or not depending on the willingness of USAID.

B. Garantías y Servicios (GyS), Reciprocal Guarantee Society

A recent creation, the capacity of GyS is rather limited. As GyS has \$3.7 million in initial capital and provides guarantees of 100 percent of the amount of the loan, it does not have any credit multiplier effect. The possibility that BMI will refinance enables GyS to grant

guarantees for more than its capital (leverage of up to four times); this ability to refinance was established in the Law that gave clearance to the creation of these types of guarantee societies. GyS is different in that it acts as another financial intermediary, without the need to fund itself through inter-bank borrowings or public deposits. It operates in the following way:

- The majority of clients are referred by banks (more than 90 percent);
- GyS evaluates client risk itself, taking collateral if it is available;
- Once the guarantee is approved, GyS remits approval to the bank so that the bank disburses the loan;
- If the client becomes delinquent, the bank does not play a major role in collection efforts;
- GyS pays 100 percent of the capital plus current interest upon receiving notice from the bank;
- GyS undertakes collection efforts and/or arrives at a payment plan with the client.

All of the administrative work is undertaken by GyS, including follow-up efforts, especially in cases of delinquency.

The process of risk evaluation is rather complex and requires highly trained professionals. It is based on estimated cash flow to calculate repayment capacity, personal knowledge of the business owners and the business, and other considerations appropriate to the sector. For this reason, GyS cannot have a massive impact as it requires a large number of executives who are experts in risk evaluation and whose service is very costly. To date, GyS has 16 employees and does not anticipate a large increase in this number in the near future.

For the banks, this service is favorable because without taking on any risk, they can lend securely and profitably. For the businesses, although they recognize that the service is costly, it represents in many cases the only way to obtain credit, especially if they do not have titled real estate to put up as collateral and do not have the capacity to develop a business plan with cash flow projections.

Some banks recognized that they had referred clients to GyS that already had credit exposure with the bank. The banks knew these clients needed additional credit but their collateral was insufficient to cover the amount of the new credit required. With the 100 percent guarantee from GyS it was possible to increase the amount of the loan without increasing their risk exposure.

Some banks see GyS as another competitor, but others have discovered that those clients sent by GyS provide opportunities for cross-selling with other financial products and over the long term can become valuable clients as the bank increases its knowledge of and confidence in the business owner. While it is still early to calculate the impact of this operation and its economic viability, one can anticipate that it will never be a *massive* credit operation (as a guarantee fund is), just as it is not in Spain nor in any other country which has established reciprocal guarantee societies.

C. Funds Administrated by BMI: PROGAPE, PROGARA y PROGAIN

My observations on each of these programs are similar and therefore I will treat them together. They are differentiated by the segment to which they are directed, but their operations are the same.

PROGAPE is administered by Banco Agrícola through a management agreement with BMI, while PROGARA and PROGAIN are administrated by Banco Cuscatlán under similar arrangements. These banks receive as payment a commission of two percent of the amount of the guarantee granted. These programs do not have a high priority in any of the banks charged with their administration and none of the three programs have achieved financial sustainability.

Because the guarantees are automatic and it is the banks that decide on their utilization, there exist several problems with the regulation of the funds that make it difficult for greater utilization of the guarantees by Salvadoran banks more broadly. These problems include the following:

- The commissions should be paid by the businesses and the banks in equal proportion. Despite the fact that the banks recognize that they transfer these costs to the business owners, this demand of the regulation of the funds creates administrative problems that can imply high operating costs for the banks.
- The opportune payment of the guarantee is not considered easy by any of the banks interviewed and some expressed that they had many problems at the time of executing the guarantee. The difficulty stems from the conditions for payment which stipulate that the bank must exhaust all collection efforts. However, it does not explicitly state what this means. In these conditions, it lends itself to interpretations on the part of the approval committee and leaves payment to their discretion. This uncertainty surrounding payment of the guarantee explains why the level of guarantee payout of these programs in El Salvador is the lowest in all of Latin America. At the same time, it also explains the low utilization of the guarantees on the part of the banks. It is necessary to break this vicious cycle in whatever new initiative is implemented.
- Once the bank has received the payment, it cannot account for it by reducing its total portfolio past due. This would enable the business owner to legally refuse collection efforts. Because of this, the bank continues to show higher rates of portfolio past-due, which affects its rating with the Superintendency of the Financial System (SSF). This situation also causes administrative problems that further contribute to low utilization of these guarantee programs.
- Commissions charged are fixed according to the risk of the enterprise and its classification in the loan portfolio. It does not take into account the percent of coverage provided by the guarantee. So the same rate is charged for a 30 percent

guarantee as for a 70 percent guarantee. It is well known that the higher the coverage of risk by the guarantee, the higher the probability of default.

- Finally, and despite the fact that the banks administering these programs do so in a professional and transparent manner, the banking sector does not look well on remitting clients to a department within a competing bank. This also helps to further explain the low utilization of facilities that seek to incentivize the financial sector to lend to the MSME segment.

RECOMMENDATIONS AND CONCLUSIONS

Upon comparing the potential demand for credit from MSMEs in El Salvador with the capacity of existing guarantee instruments, one can see that all of them collectively cover only one and one-half percent (1.5%) of MSME credit needs, and with very limited potential for future growth.

As one can deduce from the descriptions above, the total of the funds appropriated for this activity is very small.

They do not represent the credit multiplier and leverage potential characteristic of a formal Guarantee Fund, which they would need to be more effective in the mobilization of credit.

Deficiencies in the regulation of the guarantee programs of BMI exist that make them unattractive to the financial sector.

A Guarantee Fund does not exist in El Salvador. Limited public programs exist, such as USAID's DCA and GyS SGR whose impact is limited.

With these programs, one cannot hope for a massive expansion of credit directed towards MSMEs as they do not combine leverage with a multiplier effect as would an independent Guarantee Fund. In these conditions, one can affirm that the country does not have a sufficiently solid guarantee instrument that can catalyze access to credit for the thousands of Salvadoran entrepreneurs that lack sufficient collateral in the eyes of financial intermediaries.

Despite this, the financial guarantee scheme is well understood in the Salvadoran financial sector and this fact assures that a well designed facility, that includes appropriate incentives for banks, would be quickly accepted and should have a catalyzing impact that would effectively contribute to the wide expansion of credit for MSMEs in the country.

A. Recommendations

El Salvador should take advantage of accumulated experience and existing programs in order to build on what has already been developed.

Therefore my recommendation is that a Salvadoran Guarantee Fund be created, consolidating the three BMI programs into this new Fund, contributing their capital and outstanding guarantees and inviting new public and private investors and donors to strengthen the capital and improve the governance of the Fund.

Current conditions in the economy are favorable for this initiative and sufficient interest exists on the part of all of those involved in the economic development of the country.

A1. Proposed Project

The above considerations demonstrate that it is the right time for El Salvador to improve existing guarantee programs or put into place a new instrument that can be the catalyst for much greater engagement by local banks in the MSME financial services market. This instrument would enable the sharing of MSME credit risk with the banks in a way that would allow them to develop their own risk management technology to serve the segment securely and profitably. This is the experience in other countries, particularly Colombia, which has seen impressive growth in the financing of SMEs in recent years on the part of commercial banks, thanks to the backing offered by the National Guarantee Fund.

Consequently, it is proposed that a Salvadoran Guarantee Fund be created that would have the following characteristics:

- *Initial capital:* Between \$20 and \$30 million.
- *Legal status:* For-profit corporation with share capital (similar to an insurance company specializing in credit risk).
- *Investors:* Both public and private. Central and municipal governments, international donors, professional associations, banks, entrepreneur associations, etc. Could also incorporate existing guarantee funds into a single entity (with the exception of GyS).
Headquarters: San Salvador, with national coverage.
- *Target market:* All of the Salvadoran financial sector supervised by the Superintendence of Financial Systems, the credit unions and cooperatives supervised by FEDECREDITO, and some NGOs qualified by the Guarantee Fund.
- *Beneficiaries:* The 17,000 SMEs and more than 500,000 microenterprises operating in El Salvador.
- *Administrative structure:* The highest governing body will be the General Shareholders' Assembly which will have the right to one vote per share. This body will elect the Board of Directors and establish the general policies of the entity.
- *Board of directors:* Made up of seven members with a maximum of three representatives from the public sector and four from the private sector.
- *President or general director:* Elected by the Board of Directors, of free appointment and removal.
- *Organization:* Can initiate operations with 15 to 20 people.

A2. Guarantee Fund as an Instrument of Economic Development

Below I present some of the characteristics of the fund.

A2a. Social Objective

Facilitate access to credit for all MSMEs that have a good business model for investment but which do not have the collateral normally required by formal financial intermediaries. In other words, the Fund will effectively serve as collateral to reduce the risk of the financial intermediary.

A2b. Operations

Through a contract with the FI, the Fund will agree to share credit risk with the FI. If the entrepreneur does not honor its commitments, the Fund will pay a portion of the balance of between 30 and 80 percent of the total loan. It may or may not include a part proportional to interest as well.

Once the guarantee is paid out, the Fund subrogates the FI, assuming legal rights for the amount of the guarantee outstanding.

A2c. Constitution

Typically, Guarantee Funds are developed by the public sector, but it is also possible to create them through a private initiative. Moral hazard diminishes if the Fund is administered under a mixed scheme in which the private sector has significant participation in the Board of Directors coupled with the endorsement of the government. In many countries, especially Asian countries, the banks are shareholders as well.

A2d. Capital

The Fund should begin with enough capital to generate confidence from the FIs that it has the capacity to honor payments and cover administrative costs with earnings. Initial capital should be calculated as a proportion of the amount the Fund expects to mobilize and its expected default rate. In those markets with greater fund experience, the projected default rate tends to be around two percent of the guaranteed portfolio, but at the beginning it is advisable to calculate expected defaults at around five percent.

A2e. Basic Principles

Cost sharing. The Fund should permit that the FI assumes part of the risk. In no case should the fund assume 100 percent of the risk. The famous “Payout Risk Curve” (the higher the level of coverage, the higher the probability of loss for the Fund) demonstrates this.

Timely payments. The rules for processing payments on guarantees demanded by FIs should be very clear and should result in payment less than 30 days after the bank presents its request to the Fund. This generates credibility, which is critical to increased utilization of the Fund.

Clear rules for refusing guarantees. The risk of financial institutions presenting existing past due loans as new loans must be eliminated from the beginning. The same goes for restructured loans. It is very common for financial institutions to try to pass their problem loans over to the Fund.

Clear processes for recuperation of paid guarantees. Once the guarantee is paid, the Fund should make collection by legal means part of the process if possible. Failure to take these steps could result in large losses for the Fund.

Commissions. The Fund should establish a commission based on coverage, keeping in mind the Payout Risk Curve and current interest rates in the market. It should not exceed two percent of the amount of the loan, unless the rate of default in the market is much higher than this figure.

Fund revenues. The Fund has two types of revenues: interest earned on invested capital and commissions. These should be sufficient to achieve financial equilibrium, but at the beginning the majority of revenues will come from invested liquid capital. In time, commissions should absorb the total of guarantees paid out as well as administrative costs. Only in this way is the Fund sure to grow, with the reinvestment of income on invested capital, a large part of which should be liquid.

Costs. These include paid out guarantees and administrative costs. At the beginning (perhaps in the first year), the Fund will only have administrative costs. Afterwards, it will begin to receive requests from the financial institutions for payouts for loans in default.

Following these principles, it is possible to construct an instrument that can leverage its capital in such a way as to generate up to 100 times its equivalent in credit loaned to MSMEs. A Guarantee Fund is much more efficient than a direct credit program or an SGR because it leverages financial intermediaries funds without tying up its own capital in loans that require complex administration. It is the most effective mechanism for expanding and “massifying” MSME credit.

A3. Work Plan

- 1) Complete the Guarantee Fund Feasibility Study (1 month)
 - a. Conduct market study of potential demand for and supply of credit
 - b. Establish the amount of the initial investment
 - c. Complete preliminary design of the administrative structure of the fund
 - d. Establish the amount of operating costs
 - e. Calculate projected cash flow.
- 2) Preliminarily select potential investors (1 month)
 - a. With the feasibility study, initiate the process of acquisition of investors and evaluate their real interest and economic capacity to participate in the Fund.
 - b. Include in this process donors, government, banks, cooperatives, NGOs and business associations. In addition, contact existing guarantee programs.
- 3) Prepare the Statutes of the Constitution of the Fund and hold the Shareholders’ Assembly in which commitments of individual support to initial capital of the Fund are established. (1 month)
- 4) Elect the Board of Directors and appoint the President of the Fund. (1 week, simultaneously with the above)

- 5) Recruit and hire staff. (3 weeks)
- 6) Design the global Guarantee Agreements and the individual Guarantee Certificates for the different products. (3 weeks, simultaneously with task three)
- 7) Train new personnel, especially the commercial executives of the Fund. (2 weeks)
- 8) Begin operations.
- 9) After three months, evaluate operations and the response from the financial sector and make adjustments. (3 weeks)

ANNEX A. LIST OF PEOPLE INTERVIEWED

INSTITUTIONS	CONTACT	TITLE
G y S, SGR	Victoria de Mejía	General Manager
Banco de América Central	Rodrigo Menéndez	Manager of Enterprise Banking
Banco Agrícola	Silvia de Gutiérrez	Manager, Commercial Banking Area
Banco Agrícola	Ana Marina de Carazo	Manager, Micro and Small Enterprise Credit
Banco Agrícola	Cecibel de Durán	Manager, Medium Enterprise
Banco Hipotecario	José Roberto Navarro	President
CONAMYPE, Ministerio de Economía	Haydée de Trigueros	Executive Director
CONAMYPE, Ministerio de Economía	Mauricio H. Aguilar	Manager, Enterprise Services
CONAMYPE, Ministerio de Economía	Nora Guzmán de Huevo	Manager, FAT
Banco Cuzcatlán	Lorena Rubio	Manager, Enterprise Banking
ABANSA, Asoc. Bancaria	Carlos Cáceres	Executive Director
ABANSA, Asoc. Bancaria	Mélida Pérez Castillo	Senior Economist
ABANSA, Asoc. Bancaria	Mariano Guzmán	Legal Area
Cámara de Comercio e Industria de El Salvador	José Mario Magaña	Director of Economic Issues
Banco Multisectorial de Inversiones, BMI	Roger R. Alfaro	Director of Investment and Development Banking
Banco Multisectorial de Inversiones, BMI	Alfredo Alfaro	Manager of Development Banking
FEDECRÉDITO	Ernesto Pacheco	Secretary of Projects and Cooperation
FUSADES	Alvaro Ernesto Guatemala	Executive Director
Banco Salvadoreño, HSBC	César Barahona	Manager, Enterprise Banking
Superintendencia de Servicios Financieros, SSF	William Durán	Intendent of Supervision
Superintendencia de Servicios Financieros, SSF	Silvia Arias	Chief of Non-Bank Financial Entities
Superintendencia de Servicios Financieros, SSF	Sigfredo Gómez	Chief of Risk Inspection
Superintendencia de Servicios Financieros, SSF	Gerber Romero	Chief of Norms
BID	Guillermo Villacorta	
Banco Centroamericano de Integración Económica	Takashi Sugisawa	
Banco Centroamericano de Integración Económica	Sergio Avilés	
Banco Centroamericano de Integración Económica	Mariana Balestrini	
Banco Centroamericano de Integración Económica	Pamela Jramoy	
USAID	Sandra Lorena Duarte	Financial Services and CIMCAW Manager



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EL SALVADOR ENTIDADES DE GARANTÍAS INSTRUMENTOS DE DESARROLLO

Gabriel Reyes
Julio 2007
San Salvador



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Importancia de las MiPYMEs

PAIS	% DE EMPRESAS	% EMPLEO no agrario	% PIB
ESTADOS UNIDOS	99.7	53.6	52
CANADA	97.6	64	43
MEXICO	98.6	65	54
BRASIL	98.5	77	40
COLOMBIA	94.5	70	66
ARGENTINA	99.2	79.8	18.3
CHILE	98.5	31	30
EL SALVADOR	98.8	78	41
PERÚ	98.7	55	13
VENEZUELA	96.3	32	17



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Problemas de las pequeñas y medianas empresas para acceder a créditos bancarios:

- Falta Transparencia en la Información
- Deficiencia de Garantías
- Deficiente o nula Planeación Financiera
- Desconocimiento de Trámites Bancarios



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Crédito Productivo En El Salvador 2006

TOTAL CREDITO	\$8.371 Millones	100%
PYMES	\$1.599 Millones	19.06%
MICROCRÉDITO	\$357 Millones	9.84%
PERSONAL Consumo	\$3.247 Millones	38.9%
CORPORATIVO Y GOBIERNO	\$3.172 Millones	37.9%



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Demanda Potencial De Las MiPYMEs

	2006
DEMANDA SATISFECHA	\$1.953 Millones
DEMANDA DISFRAZADA	\$877 Millones
DEMANDA NUEVA ESTIMADA	\$1.595 Millones
TOTAL NECESIDADES MIPYMES	\$4.425 Millones
GARANTÍAS EMITIDAS EN 2006	43.5 Millones (1,54% actual)



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Esquemas de Garantías

Comparten o sustituyen el riesgo crediticio de los intermediarios financieros, estimulando así el otorgamiento de crédito a este segmento.



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Evolución de los Sistemas de Garantías en América

- 1841 FRANCIA - BANQUE POPULAIRE
- 1848 BELGICA - SOCIÉTÉS DE CAUTION MUTUELLE
- 1953 ESTADOS UNIDOS - SBA
- 1961 CANADÁ - SBLA
- 1973 EL SALVADOR - FIGAPE
- 1979 PERÚ - FOGAPE
- 1981 COLOMBIA - FNG
- 1983 ECUADOR - CORPOMICRO
- 1987 MEXICO - BANCOMEX
- 1989 VENEZUELA - SOGAMPI
- 1991 CHILE - FOGAPE Y CORFO
- 1995 ARGENTINA - FOGABA Y GARANTIZAR SGR
- 1995 URUGUAY - FOGAR
- 1996 BRASIL - SEBRAE
- 1996 ALEGA - ASOCIACIÓN LATINOAMERICANA DE ENT. DE GAR.
- 1999 REGAR - RED IBEROAMERICANA DE GARANTÍAS



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Resultados 2004 (Cifras en millones de dólares)

	Argentina	Brasil	Chile	Colombia	El Salvador	México	Perú	Venezuela
Patrimonio En mill.US\$	121	326	52	65	4	70	54	27
Garantías expedidas	85	481	332	367	10.6	446	63	13.9
Crédito garantizado	85	631.6	472	712	10.6	995	147	13.9
Número operaciones (créditos)	4.351	74.057	34.221	102.930	227	47.077	60.475	683
Siniestralidad	n.a.	5,6- 7,8%	1,8%	3,7%	n.a.	1%-2,8%	1,9%	1,6%

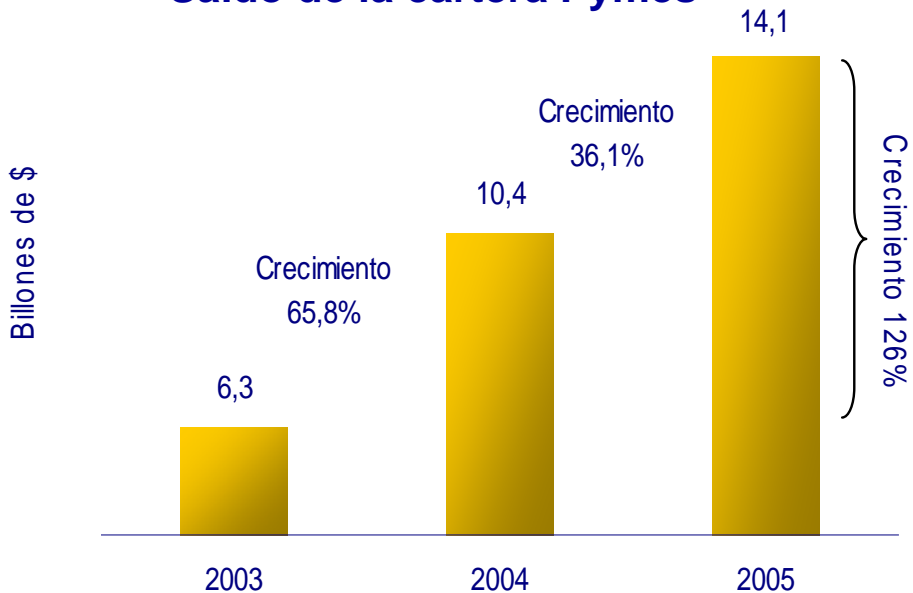
Fuente: Sistemas de Garantía de Crédito en América Latina: Juan J. Llisterri et al.
Banco Interamericano de Desarrollo, agosto 2006



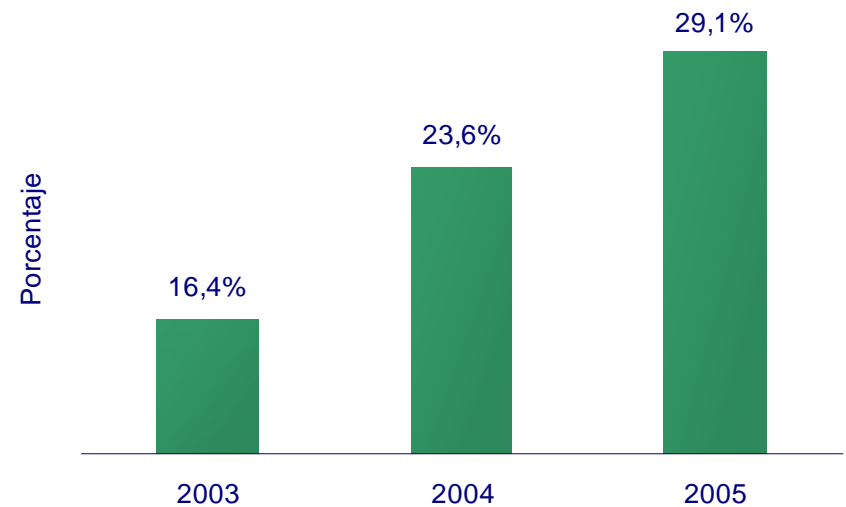
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Crédito dirigido a las PYMEs en Colombia

Saldo de la cartera Pymes



Participación de la cartera Pymes en la cartera comercial total

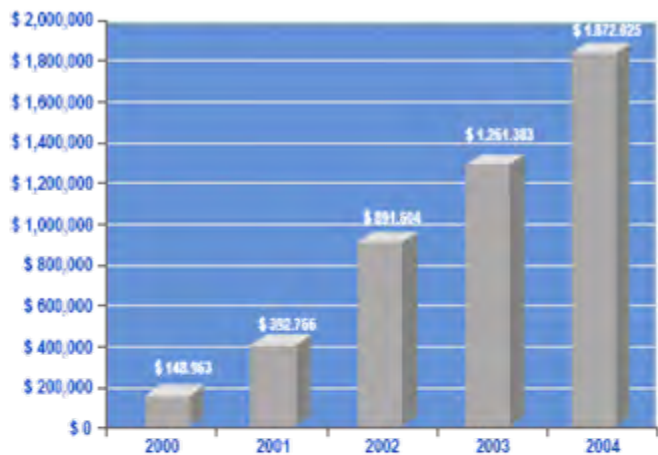


Fuente: CIFIN, cálculos Asobancaria.



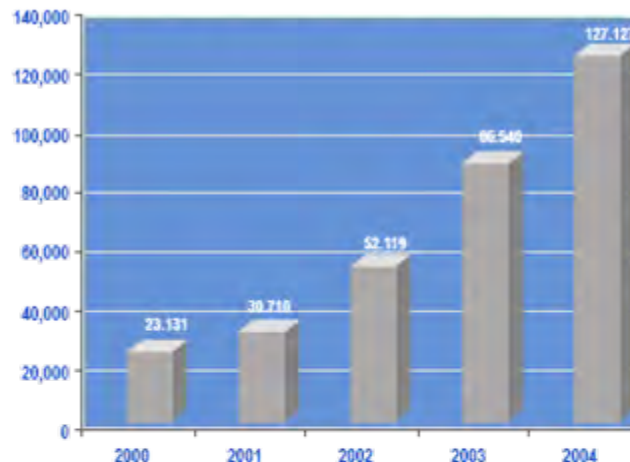
Sistema Nacional de Garantías

CRÉDITO MOVILIZADO



Cifras en millones de pesos

BENEFICIARIOS



Líneas de Garantía

Esta movilización de crédito se distribuye en las tres líneas de garantías que tiene el FNG, de la siguiente manera:

Periodo	2004		2003		Variación
	Beneficiarios	Crédito	Beneficiarios	Crédito	
Empresarial	118.029	\$1.819.586	78.787	\$1.221.854	49%
VIS	3.463	\$39.361	2.613	\$27.436	43%
Estudiantil	5.725	\$13.078	5.140	\$12.067	8%
Total	127.217	\$1.872.025	86.540	\$1.261.383	48%



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Modelos

- PROGRAMA DE GARANTÍAS
- FONDO DE GARANTÍAS
- SOCIEDAD DE GARANTÍAS RECÍPROCAS



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Programa de Garantías

- No existen como ente Jurídico Independiente
- Hacen parte de un Programa de Gobierno o de una Agencia de Desarrollo, se nutren de recursos públicos y pueden ser suspendidos por decisiones políticas
- En general, utilizan la Garantía Automática o de Cartera
- Pueden dirigir los Créditos hacia un sector de especial interés
- No requieren un gran aparato administrativo
- Pueden atender un número considerable de empresas



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Fondo de Garantías

- Establecimiento Jurídico independiente
- Tiene un capital mixto, aportado por los sectores Público y Privado
- Ofrece Garantías individuales o automáticas
- Delega la administración del crédito y su recuperación en el Intermediario Financiero
- Administra sus fondos y busca su sostenibilidad financiera
- Atiende un mayor número de empresas.
- Tiene un mayor multiplicador de crédito con relación a su patrimonio
- Es el sistema más efectivo en la masificación del crédito



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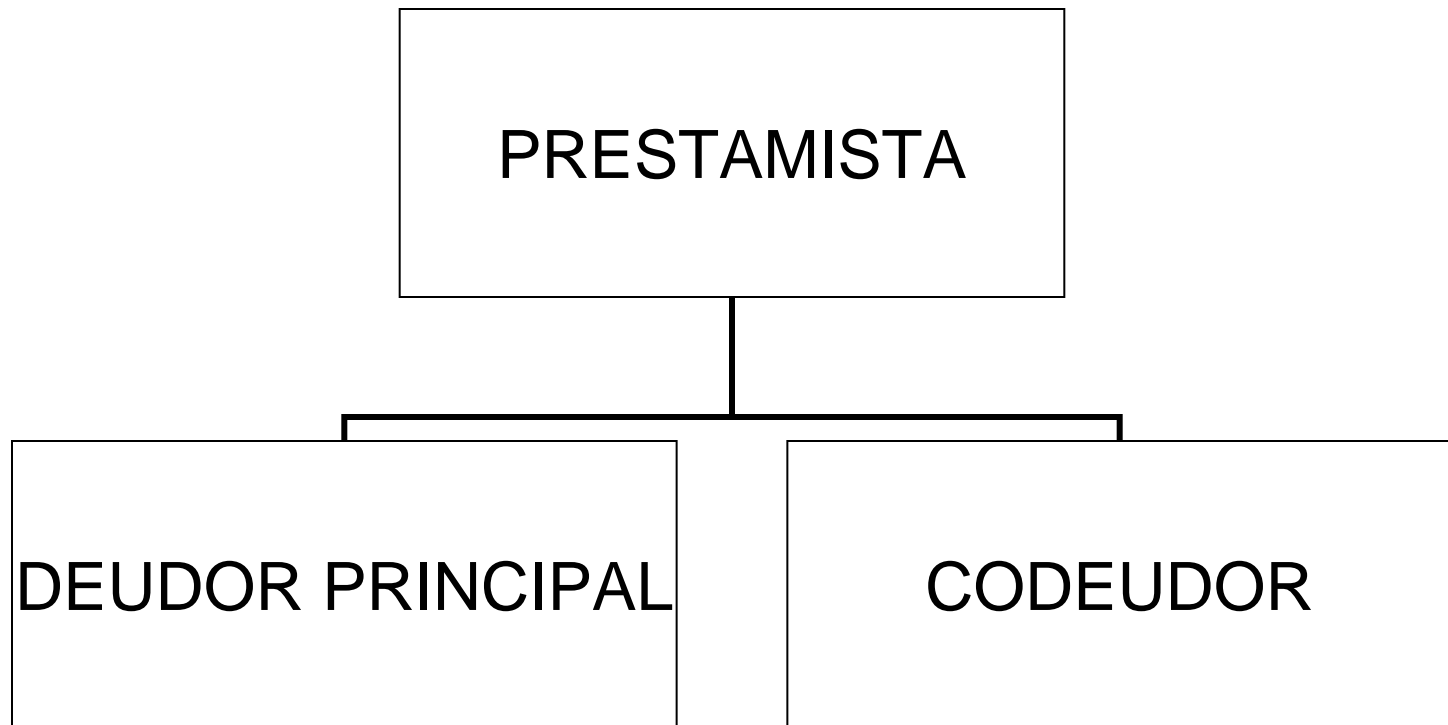
Sociedades de Garantía Recíproca

- Entidades de Derecho Privado
- Socios Protectores y Socios Partícipes
- Otorga garantías individuales a sus socios, garantizando entre un 70% y un 100% del crédito, sustituye el negocio bancario que es administrar el riesgo
- Evalúa la solicitud, cobra aportes a la sociedad, comisiones por estudio y por la garantía
- Administra la cartera y los cobros de los morosos
- El monto promedio de crédito es mayor pero atiende un número pequeño de empresas
- Tiene el menor multiplicador de crédito a patrimonio
- En la mayoría de países, su sostenibilidad depende de subsidios gubernamentales



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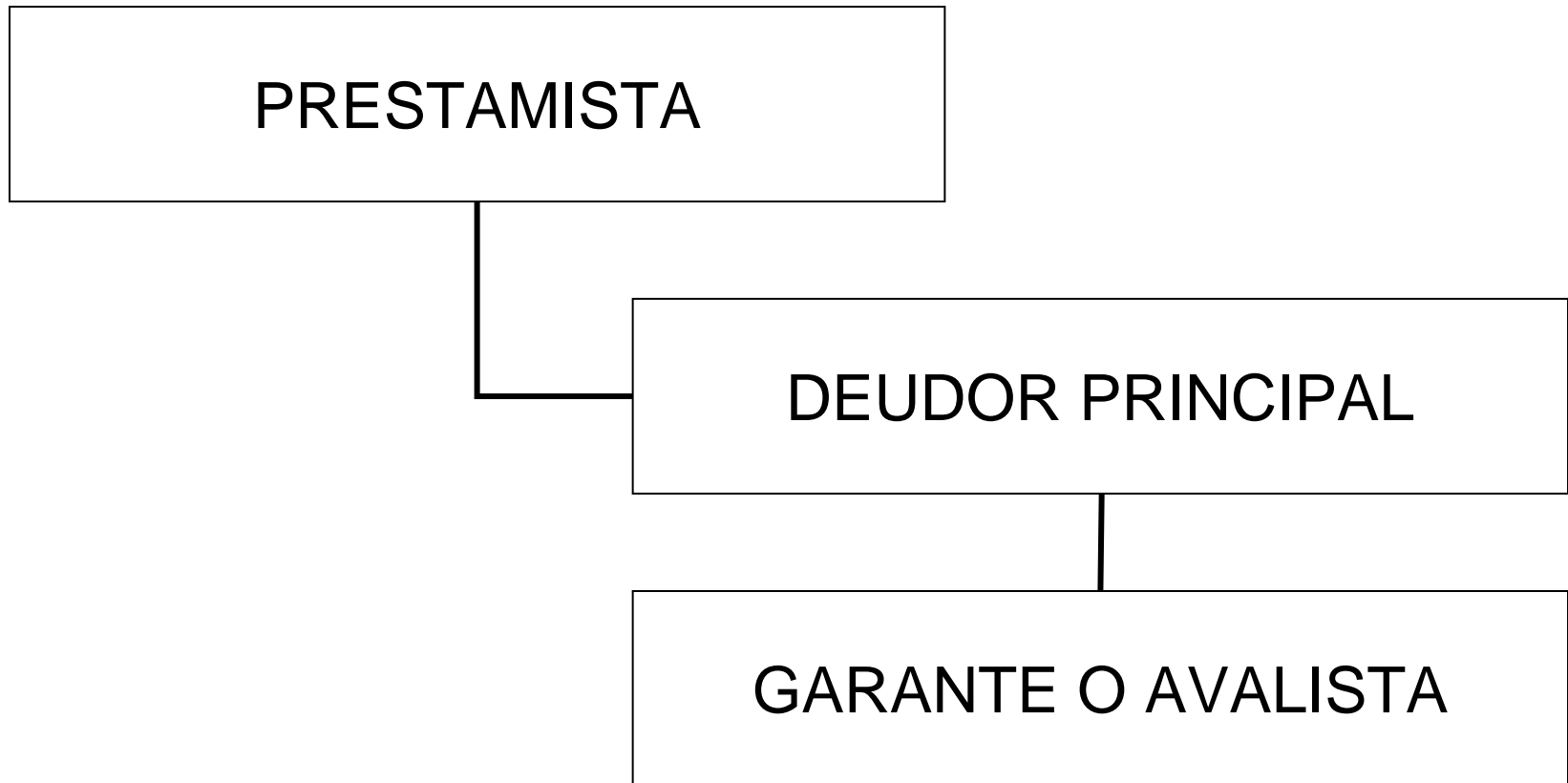
Línea de Responsabilidad: Solidaria





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Línea De Responsabilidad: Subsidiaria





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Facilidades Existentes En El Salvador

- DCA (USAID) (Programa)
- GARANTÍAS y SERVICIOS (SGR)
- PROGAPE (BMI) (Programa)
- PROGARA (BMI) (Programa)
- PROGAIN (BMI) (Programa)
- NO EXISTE UN FONDO DE GARANTÍAS



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Principales Características

ENTE DE GARANTÍAS	DCA USAID	G y S, SGR	PROGAPE	PROGARA	PROGAIN
AÑO DE INICIO	2005	2004	2000	2000	2002
CAPITAL	COOPERACIÓN	MIXTO	PÚBLICO	PÚBLICO	PÚBLICO
VIGILADO SSF	NO	SI	SI	SI	SI
GARANTÍA ADMISIBLE	NO	SI	SI	SI	SI
APALANCAMIENTO	1	8.33	4	4	4
MULTIPLICADOR	2	1	1.43	2	2
PERFIL CLIENTES	MIPYMES	MIPYMES	MIPES no agrícolas	MIPES agrícolas	PYMES agrícolas
COMPARTICIÓN DE RIESGOS	SI	NO	SI	SI	SI

Apalancamiento: Garantías vigentes/patrimonio del Fondo

Multiplicador: Crédito/Garantías

Micro: hasta 10 empleados y ventas hasta \$68.000 anuales; Pequeña: hasta 50 empleados y ventas hasta \$685.000 anuales; Mediana: hasta 200 empleados y ventas hasta \$7.000.000 anuales



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Resultados hasta 2006 (Datos De Las Entidades Respectivas)

ENTE DE GARANTÍAS	DCA USAID	G y S, SGR	PROGAPE	PROGARA	PROGAIN
COBERTURA %	50	100	50-70	70	50
COMISIÓN %	0.30%	2%-5%	2%-4%	2%	2%-4%
ASOCIACIÓN %	0.25%	2%	0	0	0
MÁX. CRÉDITO AUTOMÁTICO	1.000.000	0	80,000	80,000	200,000
MÁX. CRÉDITO CON EVALUACIÓN		250,000		240,000	2,000,000
PATRIMONIO	12,000,000	3,700,000	5,100,000	3,400,000	1,500,000
CRÉDITO GARANTIZADO ACUM.	6,688,940	34,838,510	153,121,366	202,550,625	44,539,814
GARANTÍAS OTORGADAS ACUM.	3,344,470	34,838,510	95,700,854	93,322,566	22,269,907
GARANTÍAS PAGADAS ACUM.	0	218,328	485,194	830,097	0
% PAGADO	0.00%	0.63%	0.51%	0.89%	0.00%
GARANTÍAS VIGENTES	3,344,470		14,824,716	12,534,487	1,691,253
INTERMEDIARIOS FINANCIEROS	2	9	10	7	3



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Conclusiones

- Los esquemas de garantías han demostrado ser un instrumento catalizador del crédito a MiPYMEs en todos los países, porque...
- Al compartir y diversificar el riesgo crediticio, hacen atractivo un sector económico poco conocido por los bancos, y entonces...
- Los intermediarios financieros se motivan a desarrollar tecnología bancaria, productos y modelos de evaluación de riesgos para este segmento....
- El resultado es un mayor acceso al crédito para miles de empresarios y un desarrollo económico mas acelerado.



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Conclusiones (Cont.)

- Los sistemas de garantías actuales de El Salvador son muy recientes aunque el país fue el pionero
- No existe un Fondo de Garantías.
- Hay una SGR exitosa y Programas Públicos de Garantías, que muestran un éxito relativo
- Su reglamento de pago dificulta su utilización por los bancos
- No hay estímulos apropiados para bancos y empresarios
- Poca promoción entre empresarios



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Recomendaciones

1. Crear un Fondo Nacional de Garantías, involucrando nuevos socios, o
2. Administrar directamente el BMI los programas actuales, uniéndolos y reformando su Reglamento:
 - Aumentar sus fondos
 - Aumentar apalancamiento
 - Requisitos de los créditos (garantías complementarias)
 - Oportunidad del pago
 - Comisiones según % cobertura
 - Eliminar discrecionalidad
3. Nuevo lanzamiento: campaña promocional



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Fondo Salvadoreño De Garantías

Proyecto: Constituir una Sociedad Anónima independiente

Capital inicial.....	\$20.000.000
Existente en los programas BMI.....	\$10.000.000
Otros aportantes	\$10.000.000
(USAID, Fedecrédito, Bancos, Gremios, otros)	
Capacidad para movilizar máx. crédito por	
\$400.000.000	

Estructura organizacional: 17-20 personas



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Próximos Pasos

- Seleccionar un Comité (max. 3) para crear el FSG
- Pasantía para conocer mejores prácticas (Colombia, Perú, México)
- Preparación Plan de Negocios
- Consecución del Capital
- Diseñar nueva sociedad: Estatutos Sociales, Organización Administrativa, Plataforma Tecnológica, Reglamento de Garantías, Selección y Capacitación del personal
- Plan de Promoción, Lanzamiento.
- Tiempo estimado: tres meses



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MUCHAS GRACIAS!