

## PRODUCT UP-SCALING SUPPORT – FACTSHEET

<b>Product Up-scaling Support</b>	<b>SCBF 2015-04: Microleasing Pilot (Phase 2 of SCBF 2014-07)</b>
<b>Country / Region</b>	<b>El Salvador</b>
<b>Partner Financial Institution/s</b>	<b>Fundación Campo</b>
<b>Grantee</b>	<b>Swisscontact El Salvador</b> , 3a calle poniente, pasaje San Rafael, No. 4B, Colonia Escalón, San Salvador, El Salvador
<b>Overall Budget</b>	CHF 178'532 (30% self-contribution by partner)
<b>SCBF Contribution</b>	CHF 125'000
<b>Date of Approval</b>	13.02.2015 & 17.03.2015
<b>Duration</b>	04.2016 until 09.2016, extended to 12.2017
<b>Context</b>	Between March and June 2014, a feasibility study on the potential for microleasing in Latin America was conducted with SCBF funding. A Major finding was that there is a weak supply of specific financing for productive assets. The absence of a dedicated mechanism to finance productive assets, which considers the specific necessities of the microenterprises in terms of loan term, amount, guarantee and cost, represents a relevant obstacle for microentrepreneurs. The study concentrated on the beekeeping sector as Swisscontact had previous knowledge in the value chain and knew about its demand for productive assets. In El Salvador the study found that besides the demand for microleasing among honey producers, there are market actors willing to introduce the product. The potential demand is estimated to amount to 1'400 microentrepreneurs and 5,6 million USD. The study helped to select suppliers of the productive assets, an insurer and a financial institution willing to implement the model. Campo showed to be the best possible partner financial institution.
<b>Current Status of the MFI</b>	Established as a foundation in 1998, Campo's mission is to serve as financial leverage to Salvadoran families and communities, specifically in rural areas, while working with an inclusive method and with a strong orientation towards client satisfaction and sustainability. The geographical range of action is the oriental and central zone of the country with 11 branches and 115 staff members in 2014. Campo has a wide range of offers: community based rural credit, micro and small business credit, housing credit, women credit, personal credit and remittances. 75% are rural and 50% are female borrowers.
<b>Objective and Main Activities</b>	<p>The overall goal is to introduce microleasing in El Salvador, piloting with the beekeeping value chain. Key innovation will be that the productive asset itself will be the collateral, the insurance policy will be transmitted to the financial institution, clients will receive training and ownership will be transferred at the end of transaction period (lease to own). The objective <u>at the client level</u> is to provide access to productive assets so that clients can be more successful economically and increase productivity of their activities, therefore attaining a more prosperous livelihood. <u>At the MFI level</u>, the objectives are to have personnel with capability to innovate in microfinance products and to have a unique offer of an integrated microleasing model in order to become the operational reference for replication to other value chains. By mid-2016, Campo will have placed microleasing contracts totalling 1,2 million USD.</p> <p>The main activities of phase 1 was to create the specific design and preparation of terms, including the definition of the specific offer for Campo. Phase 2 will now comprise the roll out of the product and systematization of the experience.</p>