**PROJECT ABSTRACT**

**CREDIT WITH RURAL EDUCATION**

**(BO-M1065)**

The project will contribute to the transformation of Asociación Civil Crédito con Educación Rural [Rural Credit with Education Association] (CRECER), a microfinance institution (MFI), into an institution regulated by Bolivia’s Financial System Supervisory Authority (ASFI) as a “development finance institution” (DFI) under the recently enacted Law 393, the Financial Services Act, of Bolivia. Through this project, the MIF will make a subordinated loan to CRECER, enabling it to strengthen its capital base with supplementary capital and leverage additional funds to expand its lending operations in rural and periurban areas. Operating under the jurisdiction of the regulatory body, and with the necessary authorizations, CRECER will be able to offer its clients a greater variety of services, including microsavings. The MIF will supplement the loan with technical cooperation resources for improving the institutional capabilities of CRECER, benefitting its customers by: (i) diversifying its financial services to add microsavings and deposit-taking products; (ii) generating operational efficiencies to lower the interest rates on microloans; (iii) enhancing the quality and efficiency of the social development services it offers along with its financial services, through innovations in the content and channels of dissemination of its development services; and (iv) bringing new investors into its capital structure.