

INTER-AMERICAN DEVELOPMENT BANK

MEMORANDUM

File Classification: Support for Fedecredito , ES-611

DATE: September 8, 2006

TO: Sandra Darville, Head of Unit
Multilateral Investment Fund

FROM: Yohei Nishiyama, Deputy Manager (*Original Signed*)
Multilateral Investment Fund

SUBJECT: **Support for Fedecredito second-tier microfinance institution (ES-M1015)**

Attached please find the eligibility memorandum for the above-mentioned project.

Cc: Valentina Sequi, MIF/INV
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MIF MEMORANDUM OF ELIGIBILITY

I. PROJECT SUMMARY

COUNTRY: El Salvador

PROJECT: Support for Fedecredito second-tier microfinance institution

FINANCING:	MIF Facility III-B	US\$ 3,000,000
	Taiwan ICDF Fund	US\$ 3,000,000
	Technical Assistance :	
	MIF Facility III-A	US\$ 360,000
	Fedecredito	US\$ 300,000
	Total:	US\$ 660,000

II. MIF ELIGIBILITY

The project is eligible under the Small Enterprise Investment Fund. The POC recommended that the team take into account the following points during the design of the operation

III. ISSUES

- Explain how this project might be different from the previous project executed by Fedecredito
- Define a timeframe for the execution of the TA.
- Clearly define the executing mechanism for the TA component.
- Define key indicators that could serve as milestones for disbursements as well as a system for tracking the financial development of those indicators.
- Make sure that the executing period is enough to carry out all the proposed activities.
- The project will be classified as SMF/MCRO.