

Global Microenterprise Credit Program

COLOMBIA

SECTOR: Microenterprise

PROJECT NAME: Global Microenterprise Credit Program
(791/OC-CO)

TOTAL COST: \$50.0 million

FINANCING:
IDB \$30.0 million
LOCAL \$20.0 million

DATE OF APPROVAL: November 24, 1993

GENERAL DESCRIPTION: The objective of this program is to improve the access of the small and microenterprise sector to financial services on a permanent basis. In addition to expanding the supply of funds available for lending, the program will promote significant changes in government policies that in the past have limited greater integration of this sector into formal financial markets.

The program is the first truly multilateral credit program since it will be able to finance working capital, fixed assets and technical assistance in all sectors of the economy, including small farmers for the first time. The elimination of credit restriction in the use of government-subsidized loan guarantee programs, combined with the liberalization of the interest rate structure, will develop a market-based approach for the provision of financial services to the target segment of this program. In view of the substantial reforms implied in the program, a parallel technical cooperation component has been included with this operation that is designed to strengthen the implementation of the credit program as a whole.

NOTE ON PROCUREMENT PROCEDURES

The funds from this loan will not be used for procurement purposes. The proceeds of the financing will be used by qualifying intermediary financial institutions for on-lending operations and to provide needed resources for small and microenterprises in Colombia through financing of fixed assets, working capital and technical assistance.

CONSULTANTS: Technical assistance will be provided through a parallel technical cooperation equivalent to \$810,000, of which the Bank's contribution will be \$600,000. This operation will be funded out of the Swiss Fund for Technical Cooperation and the small projects on a nonreimbursable basis.

GOODS AND EQUIPMENT: Not applicable.

CIVIL WORKS: Not applicable.

EXECUTING AGENCIES: (1) For the credit component:

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(2) For the technical cooperation component:

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Calle 26, N° 13-19, Piso 14
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Telephone: (57-1) 282-4055
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