







# **CABEI:** essential support for the development of Honduran MSMEs

The bank has channeled various resources to strengthen the business fabric, support the generation of decent employment and stimulate the economy.

In Honduras, micro, small, and medium-sized businesses (MSMEs) play a fundamental role in the economy, as they generate close to 70% of jobs and represent 95% of the business fabric.

However, MSMEs face major challenges in accessing financing because they require collateral that is difficult to secure, they face interest rates of up to 65%, and there is little fiscal policy support, according to the Ministry tration System.

of Finance and the country's Revenue Adminis-

To promote the development, growth and productivity of this sector, which contributes 60% of Honduran GDP, the Central American Bank for Economic Integration (CABEI) promotes various programs and investments, showing its solid commitment to the economic development of its founding member country.



**Program** 



**Emergency COVID-19** Support and Preparedness **Program, and Economic Reactivation Program** 





**Program** 



**Program** 

## **Creating Opportunities**

To support the development of Honduran MSMEs, CABEI promotes the MSME Support Program, which facilitated access to credit for micro, small and medium-sized businesses through Intermediary Financial Institutions (IFIS), thereby strengthening the financial system, boosting productive activities and generating jobs within a framework of sustainable development.

respective global lines of credit, which allows them

In this program they have access through their

to access resources with favorable financing conditions so that they can offer more competitive rates and terms according to the needs of MSMEs.

In total, the Bank has integrated eight Global Credit Lines in Honduras, which channel resources to MSMEs in key sectors such as trade, tourism, agribusiness, energy, among others that have a positive impact on economic and social development.

### US\$376.2 million allocated to global credit lines (GCL)

**IFIS with CABEI global credit lines** 





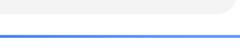












# **Promoting financial inclusion** As part of the Emergency COVID-19 Support

and Preparedness, and Economic Reactivation Program, during 2020 the Bank provided a total of US\$685 million for the region through the **Financial Sector Support Facility for MSME** Financing. The objective of this facility was to support the

adaptation, solvency and transformation of MSMEs in Honduras and the rest of Central America, in order to boost their economic recovery from the impacts caused by the pandemic. Likewise, the German Financial Cooperation

82.6 million for credit resources and the Euro-**Guarantee Fund Achievements** 

through KfW, contributed to this facility US\$

imbursable resources that included guarantee funds and small donations. As a result of the program, the Guarantee Fund

pean LAIF added US\$ 14.3 million for non-re-

was established, backed by **US\$14 million** from CABEI and **US\$12 million** from the European Union, provided through the Latin American Investment Facility (LAIF). Similarly, UN Women contributed **US\$1 million** to support loans for The IFIs that benefited from the resources of the

Ficohsa and Fundación Covelo, which supported MSMEs to access credit.

guarantee fund were Banco Atlántida, Banco





With this type of initiative, CABEI has become one of

Honduras and the region, maintaining its commitment to achieving the country's development by promoting economic growth and the well-being of the population. To achieve this, the Bank has adopted the Sustainable Competitiveness Axis in its 2020-2024 Insti-

tutional Strategy, which involves strengthening economic factors and promoting sustainability,

placing special emphasis on social and gender

the main source providers of support to MSMEs in nomic growth and development are evenly shared, contributing to inclusive economic growth and the strengthening of value chains. Moreover, this support is integrated into the

> and the Cambio II Program, contributing to the Sustainable Development Goals (SDGs).

In this way, it ensures that the benefits of eco-

bank's 2020-2024 Environmental and Social

Strategy through the Green MSMEs Program,



inclusion.

SDG 8: Promote sustained, inclusive and sustainable economic growth, full employ-



tion and foster innovation.

**SDG 9:** Build resilient infrastructure, promote inclusive and sustainable industrializa-



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**SDG 17**: Strengthen the means of implementation and revitalize the global partnership for sustainable development.











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