



## 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

of Finance and the country's Revenue Administration System.

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.

**MSMEs Support Program**

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

**Guarantee Fund**

**Green MSMEs Program**

**Change II 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.

In this program they have access through their respective global lines of credit, which allows them

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 through KfW, contributed to this facility **US\$ 82.6 million** for credit resources and the Euro-

pean LAIF added **US\$ 14.3 million** for non-reimbursable resources that included guarantee funds and small donations.

As a result of the program, the Guarantee Fund 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 women.

The IFIs that benefited from the resources of the guarantee fund were Banco Atlántida, Banco Ficohsa and Fundación Covelo, which supported MSMEs to access credit.

**Guarantee Fund Achievements**

**1,152**  
jobs preserved

**11**  
companies have obtained credits using the Guarantee Fund with coverage from 25% to 75%

With this type of initiative, CABEI has become one of the main source providers of support to MSMEs in 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 Institutional Strategy**, which involves strengthening economic factors promoting sustainability, placing special emphasis on social and gender inclusion.

In this way, it ensures that the benefits of economic growth and development are evenly shared, contributing to inclusive economic growth and the strengthening of value chains.

Moreover, this support is integrated into the bank's **2020-2024 Environmental and Social Strategy** through the **Green MSMEs Program**, and the **Change II Program**, contributing to the **Sustainable Development Goals (SDGs)**.

**SDG 8:** Promote sustained, inclusive and sustainable economic growth, full employment and decent work for all.

**SDG 9:** Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.

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