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ACCESS TO FINANCIAL SERVICES IN RURAL AREAS MARKET STUDY

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The author's views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

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LIST OF ACRONYMS AND ABBREVIATIONS

A2F	Access to Finance
APS	Annual Program Statement
BA	Banking Agent
BAC	Banco Agrario de Colombia (Public owned bank)
BCS	Banco Caja Social
BdO	Banca de las Oportunidades Program (Colombian public agency)
BVC	Bolsa de Valores de Colombia (Colombian Stock Exchange)
CCT	Conditioned Cash Transfer
DCA	Development Credit Authority (USAID)
DPS	<i>Departamento para la Prosperidad Social</i> (Department of Social Prosperity)
FAG	Fondo Agropecuario de Garantías (Agricultural Guarantee Fund)
FC	Financial Company
FI	Financial Intermediary
FMujer	Fundación de la Mujer
FMM	Fundación Mundo Mujer
FNG	<i>Fondo Nacional de Garantías</i> (Colombian Guarantee Fund)
FOMIN	Multilateral Investment Fund, member of the IDB Group
FSC	Financial Superintendence of Colombia
GDA	Global Development Alliance
GoC	Government of Colombia
IMF	International Monetary Fund
LAC	Latin American Countries
LPG	Loan Portfolio Guarantee (USAID's standard guarantee product)
NGO	Non-Government Organization
NYSE	New York Stock Exchange
MFI	Microfinance Institution
MIX Market	Microfinance Information Exchange, Inc.
PAR30	Portfolio at Risk beyond 30 days
PPP	Public-Private Partnership
SME	Small and Medium-sized Enterprise
SSE	Superintendence of the Solidary Economy
TA	Technical Assistance
UMIC	Upper Middle Income Countries
WOCCU	World Organization of Cooperatives

INFORMATION ABOUT INSTITUTIONS

Asomicrofinanzas	The Colombian Association of Microfinance Institutions - Asomicrofinanzas is an apex institution created in 2009 by the financial intermediaries that offer microfinance products (banks, financial companies, cooperatives and microfinance NGOs) to represent the microfinance industry in Colombia. ¹
AVAL Group	AVAL Group is one of the most important financial conglomerates in Colombia. It has four commercial banks (Banco de Bogotá, AV Villas, Banco Popular and Banco de Occidente), financial and leasing companies, and the Microcrédito AVAL Microfinance NGO, among others. It is listed on the NYSE and has presence in 8 countries in Central America. ²
Banca de las Oportunidades (BdO)	Banca de las Oportunidades (BdO) is a policy of the Government of Colombia (GoC) whose main objective is to promote access to credit and other financial services to the unbanked Colombian population, specially to low-income families, micro and medium-sized enterprises and entrepreneurs. This program, managed by the Bank for Foreign Trade - Bancoldex, is part of the GoC's long-term policy to reduce poverty, promote social equity and stimulate economic development in Colombia. ³
Bancolombia Group	Bancolombia Group is the largest financial conglomerate in Colombia, offering a wide range of financial products and services to a diversified individual and corporate base of more than 7 million customers. This group is comprised of Bancolombia, the largest commercial bank, and its subsidiaries. It has presence in 3 countries in Central America and 3 off-shore banking subsidiaries. ⁴
Bolivar Group	One of the most important economic groups, with over 70 years experience and presence in 8 countries in Latin America. It is present in sectors such as financial, (through Davivienda and its subsidiaries), insurance and construction ⁵ .
Finagro	The Fondo para el Financiamiento del Sector Agropecuario - Finagro is the agricultural second-tier bank of Colombia. Finagro provides funds to banks to lend to the agricultural sector. To use Finagro's funds banks have to lend to producers following Finagro's lending conditions, at subsidized interest rates.
Financial Superintendence of Colombia (FSC)	The Financial Superintendence of Colombia (Superintendencia Financiera de Colombia - SFC) is a technical State agency responsible for the inspection, supervision and control of entities engaged in financial, securities activities, insurance and any other activities related to the management, use or investment of resources collected from the public. Its aim is to monitor the Colombian financial system in order to preserve its stability, security and confidence, as well as, promote, organize and develop the Colombian stock market and the protection of

¹ Asomicrofinanzas, "Antecedentes" <http://asomicrofinanzas.info/index.php/loquesomos/nosotros>

² Grupo AVAL "About us," <https://www.grupoaval.com/wps/portal/grupo-aval/bienvenido/investor-relations/about-us>

³ Banca de las Oportunidades, "Who we are?" <http://www.bancadelasoportunidades.gov.co/ingles/contenido/contenido.aspx?catID=324&conID=705>

⁴ Grupo Bancolombia "At a Glance", <https://grupobancolombia.com/about>

⁵ Davivienda "Investor Relations", <https://davivienda.com/investor>

investors, depositors and insured.⁶

FOMIN	The Multilateral Investment Fund (FOMIN), funded by 39 donors, supports private sector-led development benefitting the poor and low-income households - their businesses, their farms, and their households. The aim is to give low-income populations the tools to boost their incomes: access to markets and the skills to compete in those markets, access to finance, and access to basic services, including green technology. ⁷
Microfinance Information Exchange (MIX Market)	The Microfinance Information Exchange (MIX Market) provides objective data and analysis about the microfinance sector in the world. MIX Manages financial and social performance data submissions from 200 + microfinance institutions (MFI), and provides instant access to current data, analytical tools and market intelligence. Data are validated and standardized by MIX data analysts. ⁸
Superintendence of the Solidary Economy (SSE)	The Superintendence of the Solidary Economy (Superintendencia de la Economía Solidaria - SES) is a technical State agency responsible for overseeing the legal status and business activity of the solidarity economy entities under its purview. Its objectives are to protect the interests of its members and the community, build trust, and strengthen the solidarity sector as an alternative to foster social and economic development of Colombia. ⁹
WOCCU	The World Council of Cooperatives – WOCCU is the global trade association and development agency for cooperatives and cooperative financial intermediaries, with member organizations in nearly 60 countries. ¹⁰ In Colombia, WOCCU has been the provider of technical assistance (TA) financed by Banca de las Oportunidades (BdO) to selected cooperatives in institutional strengthening; it is currently finishing TA to 12 cooperatives in the development of “ <i>Semilla Cooperativa</i> ” and has recently started providing TA to 9 FI (4 banks, 2 cooperatives and 3 microfinance NGOs) in the implementation of micro agri loans.

⁶ Superintendencia Financiera de Colombia, <https://www.superfinanciera.gov.co/jsp/loader.jsf?lServicio=Publicaciones&lTipo=publicaciones&lFuncion=loadContenidoPublicacion&id=60607#naturaleza1>

⁷ FOMIN, “About MIF”, <http://www.fomin.org/en-us/home/aboutmif.aspx>

⁸ MIX Market, <http://www.mixmarket.org/>

⁹ Superintendencia de la economía solidaria, <http://www.supersolidaria.gov.co/es/nuestra-entidad/mision-vision-valores>

¹⁰ WOCCU, “Membership”, <http://www.woccu.org/membersen/membership>

DEFINITION OF TECHNICAL TERMS

Agricultural Guarantee Fund (FAG)	The Agricultural Guarantee Fund (Fondo Agropecuario de Garantías – FAG) is a public credit guarantee for agricultural activities. Financial intermediaries can use this guarantee only if they lend with Finagro resources at the subsidized interest rates established for agricultural lending. Although these guarantees are open to the entire banking system, in practice only Banco Agrario, Colombia's only State-owned bank, uses them to lend to small farmers.
Cédula Cafetera	Cédula Cafetera is a debit card offered by Banco de Bogotá to the coffee farmers which are members of the National Federation of Coffee Growers (Federación Nacional de Cafeteros). The Cédula Cafetera is their ID for the Federation and farmers can use it to receive GoC subsidies, payments for coffee sales and other payments. ¹¹
Commercial Bank	A commercial bank (bank) is a financial intermediary that can offer the full scale of retail (including mortgage) and corporate banking services with the exception of investment banking and financial leasing. The Financial Superintendence of Colombia (FSC) exercises oversight of the commercial banking system. ¹²
Cooperative	A cooperative or credit union is a member-owned financial cooperative, democratically controlled by its members, and operated for the purpose of promoting thrift, providing credit at competitive rates, and providing other financial and non-financial services to its members. The Superintendence of Solidary Economy (SSE) exercises oversight of Cooperatives in Colombia. ¹³
Development Credit Authority (DCA)	Type of public-private partnership under which USAID assumes a portion of the credit risk in order to encourage private banks to lend to creditworthy but underserved entities or persons in new sectors and regions. ¹⁴ DCA uses risk-sharing agreements to mobilize local private capital to fill this financial gap. The guarantees may cover an individual loan or a portfolio of loans, and have a considerable leveraging effect, contributing to unlocking private sector investment. ¹⁵ USAID's standard guarantee products are: Loan Guarantee, Loan Portfolio Guarantee, Portable Guarantee and Bond Guarantee.
Family Agricultural Unit (UAF)	The Family Agricultural Unit (Unidad Agrícola Familiar - UAF) is the size of a peasant family farm required to generate an income of US \$640 per month, which is the minimum income estimated to be required for a peasant family to have a decent quality of life and a sustainable production. Farmers' size in Colombia is

¹¹ Banco de Bogotá, "Nueva Cédula Cafetera Inteligente", <https://www.bancodebogota.com/pls/portal/docs/PAGE/WEBBOG/CONTENIDO/ADMIN/MINISITES/CEDULA-CAFETERA/INDEX.HTML>

¹² Superintendencia Financiera de Colombia <https://www.superfinanciera.gov.co/jsp/loader.jsf?lServicio=Glosario&lTipo=user&lFuncion=main&letra=C>

¹³ Confecoop, <http://www.confecoop.coop/index.php/cooperativismo/doctrina>

¹⁴ "An overview of USAID's Credit Guarantees", USAID, undated, http://www.usaid.gov/sites/default/files/documents/1870/1210-usaid-onepager-v5-4_2.pdf

¹⁵ "Impact Brief 2013," USAID Development Credit Authority, 2013, <http://www.usaid.gov/sites/default/files/documents/2151/2013ImpactBrief.pdf>

determined according the number of UAF:

Subsistence Farmers: < 0,5 UAF

Small Farmers: $0,5 \leq \text{UAF} \leq 2$

Medium Size Farmers: $2 \leq \text{UAF} \leq 10$

Large Farmers: > 10 UAF

The UAF concept combines both farm size and income. According to productivity of land, the UAF varies in size (number of hectares) from one municipality to another.¹⁶

Financial Company
(FC)

A financial company (FC) is a financial intermediary that offers lending and/or leasing services. A financial company has lower capital requirements than a commercial bank and does not offer checking accounts. Financial Companies are supervised by the FSC.¹⁷

National
Guarantee Fund
(FNG)

The National Guarantee Fund (Fondo Nacional de Garantías - FNG) backs credit operations for commerce, services and the manufacturing industry. FNG's objective is to facilitate access to credit to Colombian micro, small and medium size enterprises by providing them with credit guarantees.¹⁸

Semilla
Cooperativa

Semilla Cooperativa is a savings and loan product targeted to rural populations, designed by WOCCU. Semilla Cooperativa facilitates savings and loan paying on-site, using a technology which consists of a tablet or mobile phone, connected online with the FI, and a small printer to give the receipt to the clients. Semilla Cooperativa is based on the visit of a loan advisor, once per month, to a group of rural populations, close to their farms (i.e. a school), to collect savings and loan payments. In these visits the loan advisor also provides financial literacy training among participants, emphasizing the importance of saving.

¹⁶ Law 160 of 1994; Law 607 of 2000; MADR Incoder, Resolution 1132 of 2013.

¹⁷ Superintendencia Financiera de Colombia

<https://www.superfinanciera.gov.co/jsp/loader.jsf?lServicio=Glosario&lTipo=user&lFuncion=main&letra=C>

¹⁸ Fondo Nacional de Garantías, "About Us", <http://www.fng.gov.co/fng/portal/apps/php/index.get?getlanguage=RU4=>

I. INTRODUCTION

Land and rural development is one of the GoC priorities that USAID has committed to support during the coming years. To champion access to finance (A2F) for unbanked populations in rural areas, USAID plans to develop strategic alliances with partner financial intermediaries (FI) which have interest and potential to provide and scale-up financial services in these areas.

In order to understand the challenges FI face when expanding towards rural areas, OLGOONIK (hereinafter “the consultant”), carried out a market study among selected FI during April and May of this year. This study will provide valuable information to USAID to forge effective alliances with the most promising FI, explore practical means of cooperation, and determine how a partnership could be effective in unlocking financing for Colombia’s rural population.

The purpose of the market study was to get information from FI to determine: i) the key issues that need to be solved to achieve higher impact in an alliance; ii) the degree of interest among FI in providing /scaling-up financial services towards rural areas; iii) the main challenges that FI face related to infrastructure, building capacities, mitigating risks and development of adequate financial products; iv) the key factors that would facilitate FI’s expansion towards rural areas; v) their interest in forging a strategic alliance; and vi) the areas in which a partnership with USAID would be most effective in unlocking A2F for rural areas.

The purpose of this document is to present the results of the market study which was carried out with 29 FI (8 commercial banks, one financial company, 7 microfinance NGO and 13 cooperatives). Based on the results of the market study, and on the review of alliances focused on providing financial services in rural areas that have been implemented in other countries¹⁹, this document also presents recommendations on concrete alliances that USAID could successfully develop with FI in Colombia and provides inputs for Global Development Alliances (GDA).

The market study is presented in the next eight sections. Section 2 explains the framework for the development of the market study, focusing on the new USAID vision of development. Next, Section 3 presents an overview of the agriculture sector in Colombia and of agri financing. Section 4 is about FI in Colombia, aimed at providing a general understanding about the size and composition of FI, as well as an understanding of the position of the FI selected for the market study within the Colombian financial sector. Section 5 presents the market study, explaining the criteria to select the FI and the methodology used to carry out the market study. Section 6 presents the results of the market study, based mainly on a survey carried out. Section 7 offers the main conclusions of the market study. Based on the results of the market study and the desktop review mentioned, Section 8 makes recommendations on concrete alliances that USAID could develop. Finally, Section 9 provides some inputs for implementing Global Development Alliances (GDA). Detailed information for every FI is included in the annexes at the end of the document.

¹⁹ Parra (2014).

2. FRAMEWORK

USAID's new vision of development asserts that the best way to achieve effective results and sustainable development is to understand, work with, and boost local systems. This new vision also emphasizes the importance of promoting *inclusive development*. *Inclusive development* recognizes that all parts of society, including governments, civil society, private sector and individual citizens, have knowledge, resources and ideas that are essential to achieve sustainable development.²⁰

As local systems have a variety of multiple, interconnected actors, multi stake-holder alliances are key. In this context, working through partnerships becomes a primary strategy. Direct partnerships with local agents who have in-country knowledge, networks, and expertise, generate shared responsibility, mutual accountability and facilitate the achievement of concrete results. Additionally, by pooling resources, experience and engagement, the results and impact will be higher.²¹ Simply put, the objective is to achieve a new vision of development that is "*locally owned, locally led and locally sustained*".²²

One of the main objectives of the USAID mission in Colombia in the medium term is to support rural development. One of the key aspects for achieving rural development is to increase access to finance in rural areas. In order to achieve this objective and its new vision of development, USAID ought to develop strategic partnerships with financial sector entities that are interested and have the potential to expand their products and services to rural areas. The objective is to develop lasting, sustainable partnerships to ensure sustainability by investing in and through FI.

The market study among selected FI is intended to provide USAID with a map of the local financial system, regarding A2F in rural areas, analyze the best way to engage with this local system to achieve higher impact and results, and to provide recommendations to USAID regarding the most advantageous partnerships it may form within the financial system.

Ten principles for engaging local systems

1. Recognize there is always a system.
2. Engage local systems everywhere.
3. Capitalize on our convening authority.
4. Tap into local knowledge.
5. Map local systems.
6. Design holistically.
7. Ensure accountability.
8. Embed flexibility.
9. Embrace facilitation.
10. Monitor and evaluate for sustainability.

²⁰ USAID (2014).

²¹ Ibid.

²² Ibid, Pg. 2.

3. AGRICULTURE SECTOR IN COLOMBIA

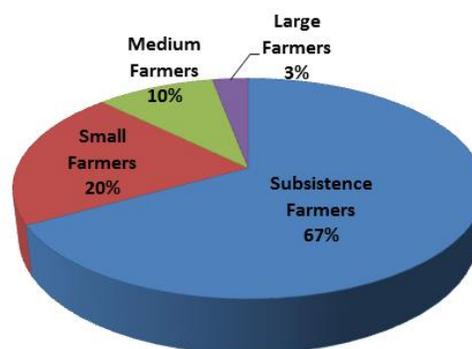
As of 2012, in Colombia there are more than four million farmers in both, agricultural and livestock activities. Regarding their size, 67% are subsistence farmers, 21% are small farmers, 10% are medium size farmers and 3% are large farmers²³ (Table I, Figure 1). This information confirms that Colombia is mostly a country of subsistence and small farmers (88%).²⁴

Table I Number of Farmers

	Number of Farmers 2012	Distribution
Subsistence Farmers	2.686.555	67%
Small Farmers	823.901	21%
Medium Farmers	390.110	10%
Large Farmers	118.374	3%
Total	4.018.940	100%

Source: Leibovich (2013).

Figure 1 Distribution of Farmers



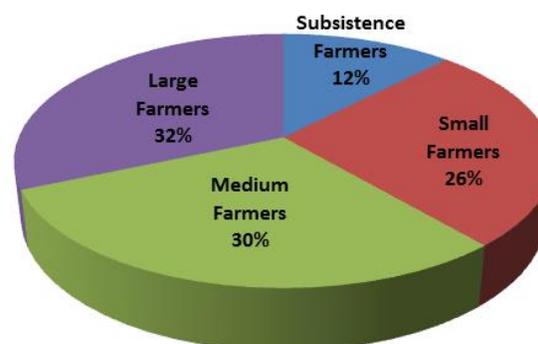
Regarding hectares, there are 42 million hectares in Colombia dedicated to agricultural activities (agriculture, livestock or both). The distribution of hectares according to farmer's size is 12% subsistence farmers, 26% small farmers, 30% medium size farmers and 32% large farmers (Table 2, Figure 2).

Table 2 Hectares dedicated to agricultural activities

	Number of Hectares 2012	Distribution
Subsistence Farmers	5.186.351	12%
Small Farmers	11.189.187	26%
Medium Farmers	12.614.579	30%
Large Farmers	13.327.190	31%
Total	42.317.307	100%

Source: Leibovich (2013).

Figure 2 Distribution of hectares dedicated to agricultural activities



Therefore, in Colombia there is a regressive distribution of land used in agriculture. Although smaller producers (subsistence and small) represent 87% of total producers, they only have 38% of the land

²³ For the classification of farmers, consult the UAF definition in the technical terms section.

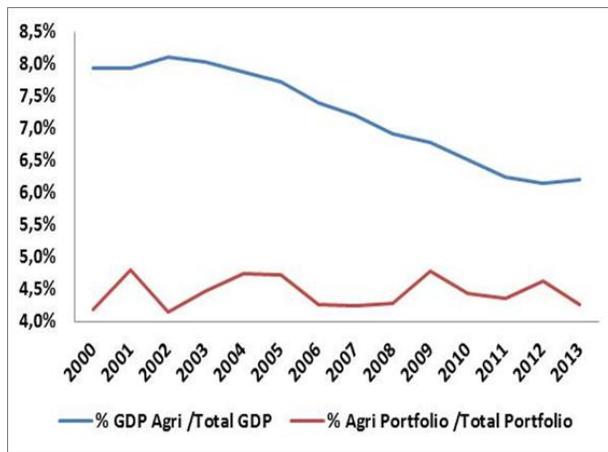
²⁴ Leibovich (2013).

area; while medium size producers, which represent 9.7%, have 30% of the land area; and large producers, which represent 2.9%, have 32% of the land area.²⁵

AGRICULTURE FINANCING

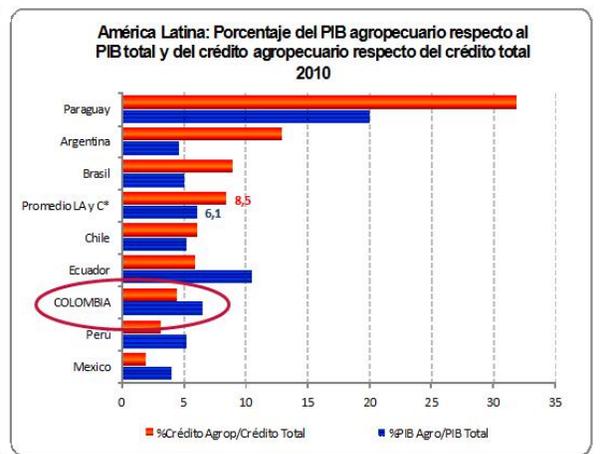
In Colombia, agricultural financing is low. Agricultural loan portfolio has represented only 4% - 5% of total portfolio since 2000 (Figure 3), and Colombia has one of the lower ratios when compared to other Latin American Countries (Figure 4). Agricultural loan portfolio in 2013 amounted US \$6.6 billion.

Figure 3 Evolution of % GDP Agri /Total GDP and % Agri Portfolio/Total Portfolio



Source: Finagro.

Figure 4 Comparison with LAC



Source: Colombian Farmer's Society (SAC).

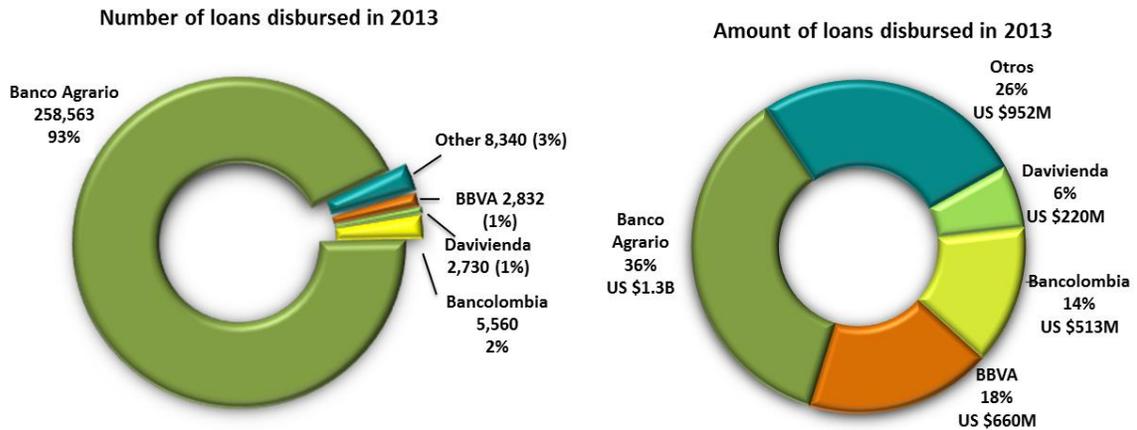
Disbursements to agricultural sector amounted US \$3.7 billion in 2013 and were made to 278,025 farmers, 88% of them, small farmers.²⁶ The main lenders to farmers are large commercial banks, mainly Banco Agrario de Colombia (BAC), the public owned bank. BAC lends mainly to small farmers with funding from Finagro²⁷ (agricultural second-tier bank), at subsidized interest rates and based on the intensive use of the Agricultural Guarantee Fund (FAG); while private banks lend mainly to medium and large commercial farmers, using their own funds, at market interest rates. In 2013 BAC disbursed US \$1.3 billion (36% of amount disbursed) to 258,563 farmers (93% of total farmers that received loans in 2013) (Figure 5).

²⁵ Ibid.

²⁶ Finagro (2014).

²⁷ Banco Agrario is the main user of Finagro's funding.

Figure 5 Disbursements to agricultural sector in 2013



Source: Finagro (2014)

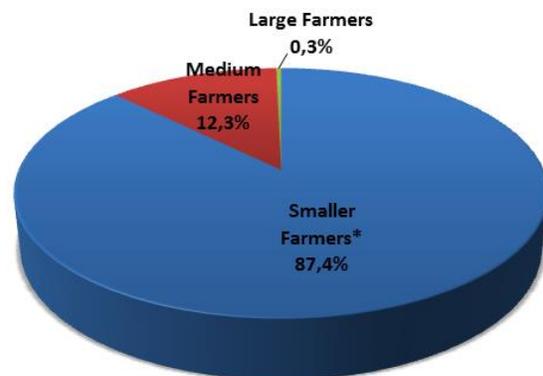
BAC is the largest funder, serves mainly rural areas, and has the largest rural presence of all FI in Colombia, however, it is insufficient for the potential and needs of the sector. Although 87% of subsidized loans (567,700) were made to small farmers in 2012, they reached only 16% of total of small farmers in Colombia (3,510,546) and the other 84% do not have access to formal lending²⁸ (Table 3, Figure 6). If small farmers obtain credit from informal lenders they have to pay an average interest rate of 274% Annual Effective²⁹.

Table 3 Farmers with loans in 2012

	Farmers with loans	% Farmers with loans
Small Farmers*	567.700	16%
Medium Farmers	79.750	20%
Large Farmers	2.250	2%
Total	649.700	16%

* Subsistence and Small
Source: Leibovich (2013).

Figure 6 Distribution of Agricultural loan portfolio 2012



Moreover, subsidized loans require a burden of documentation and BAC has operational difficulties, especially in smaller and remote municipalities.

²⁸ Leibovich (2013).

²⁹ Econometría (2008).

Funding from private FI is limited due to the lack of knowledge in the assessment of risk and risk management of farming; the need for long-term loans with grace periods based on crop cycles; and because private FI cannot compete with the offer of subsidized credit with capped interest rates to end users. This is more critical in the case of small producers, which are perceived by FI as an even riskier segment.

Agricultural Portfolio balance at subsidized interest rates amounted US \$5.9 billion in 2012. Small farmers represented 29%; medium farmers, 38%; and large farmers, 38% (Table 4, Figure 7).

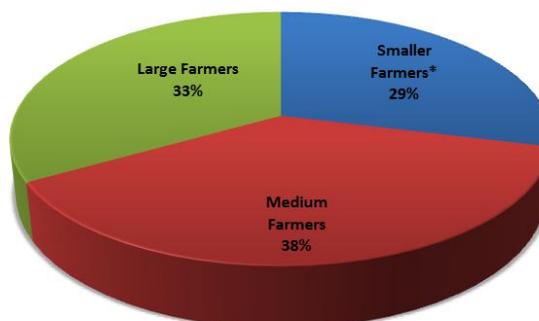
Table 4 Agricultural portfolio balance in 2012

Portfolio Balance	US (million)	Distribution
Smaller Farmers*	1.703	29%
Medium Farmers	2.234	38%
Large Farmers	1.960	33%
Total	5.898	100%

* Subsistence and Small

Source: Leibovich (2013).

Figure 7 Distribution of Portfolio 2012



4. FINANCIAL INTERMEDIARIES IN COLOMBIA

According to the International Monetary Fund (IMF), “Colombia has a broad financial system, dominated by complex financial conglomerates and with a variety of intermediaries. The financial health of financial intermediaries appears sound, with healthy balance sheet of corporate and households, strong credit quality, and profitable banks”...funding is stable, relying mostly on customer deposits and only minimally on short-term wholesale funding. At end-March 2012, the capital adequacy ratio (CAR) was 15.3 percent (regulatory minimum of 9 percent)... Colombian banks appear resilient to a variety of shocks. Their substantial net interest income serves as solid cushion against the effects of losses related to credit risk, while their reliance on stable deposits for funding helps guard against liquidity shocks.”³⁰

Financial intermediaries in Colombia are mostly Commercial Banks, followed by Financial Companies (FC), both supervised by the Financial Superintendence of Colombia (FSC); Cooperatives, that are supervised by the Superintendence of the Solidary Economy (SSE) and Microfinance NGOs and others, which are not supervised.

³⁰ IMF (2013), Pg. 5

COMMERCIAL BANKS AND FINANCIAL COMPANIES

During the last seven years, the banking industry in Colombia has experienced a recomposition, due to the transformation of microfinance NGOs and cooperatives into banks and to the entrance of new foreign financial intermediaries into the local market. As a result, as of 2013, the Colombian banking system is formed by 24 commercial banks, of which 14 are locally-owned and represent 76.4% of the total assets of the banking system, and 10 foreign banks whose assets represent 23.6% of the total assets of the banking system. Within the local banks, there is one public bank, Banco Agrario de Colombia (BAC) which serves mainly rural areas and has the largest rural presence of all FI in Colombia. Bancamía and Banco WWB converted from microfinance NGOs into commercial banks in 2008 and 2011 respectively; Coopcentral was a Cooperative that became a bank at the end of 2013. Regarding financial and leasing companies (FC), 22 are locally owned, some of them by the financial conglomerates that also own commercial banks (Table 5).

Table 5 Commercial Banks, Financial and Leasing Companies in Colombia

Bank	Total Assets (USD \$ K)	Ownership	Financial and Leasing Companies	Operating Income (USD \$ K)
1 Bancolombia	\$46.156.383	Local	1 Leasing Bancolombia	\$842.578
2 Banco de Bogotá	\$29.398.603	Local	2 Compañía Tuya	\$387.939
3 Davivienda	\$24.054.792	Local	3 Finamérica	\$89.927
4 BBVA	\$17.888.863	Spain	4 GMAC Colombia	\$78.430
5 Banco de Occidente	\$14.133.153	Local	5 Serfinansa	\$75.302
6 Banco Agrario	\$9.846.782	State Owned	6 Leasing Bolivar	\$69.105
7 Banco Popular	\$8.513.079	Local	7 Coltefinanciera	\$59.610
8 Colpatria	\$8.384.351	Canada	8 Factoring Bancolombia	\$58.565
9 GNB Sudameris	\$7.116.388	Panamá	9 Leasing Corficolombiana	\$55.994
10 Helm Bank	\$6.658.930	Local	10 Macrofinanciera	\$52.437
11 Corpbanca	\$6.409.823	Chile	11 Giros y Finanzas	\$51.498
12 Banco Caja Social	\$5.263.086	Local	12 Dann Regional	\$32.667
13 Av Villas	\$4.949.624	Local	13 Leasing Bancoldex	\$28.416
14 Citibank	\$4.436.215	USA	14 Internacional	\$26.463
15 Bancoomeva	\$1.361.641	Local	15 Financiera Cambiamos	\$19.158
16 Pichincha	\$1.158.079	Ecuador	16 La Polar	\$8.641
17 HSBC	\$704.789	China	17 Pagos Internacionales	\$6.144
18 Bancamía	\$645.458	Local	18 Opportunity International	\$5.477
19 Finandina	\$639.840	Local	19 C.A. Credifinanciera	\$5.377
20 Falabella	\$619.236	Chile	20 Ripley Cia de Fciamiento	\$3.525
21 Banco WWB	\$424.530	Local	21 Credifamilia	\$2.835
22 Coopcentral	\$312.346	Local	22 Mi Plata	\$98
23 Banco Procredit	\$121.606	Germany		
24 Banco Santander	\$108.247	Spain		

Source: Asobancaria (2014)

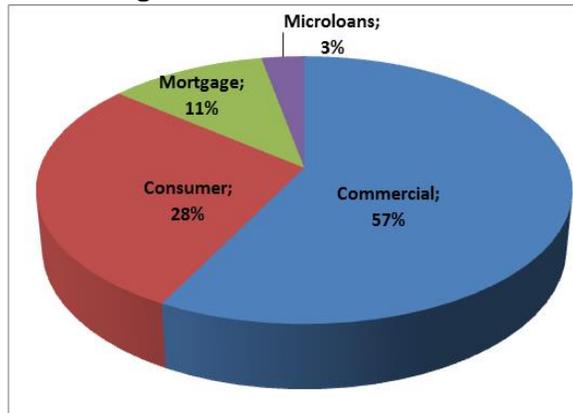
Source: La Nota.com (2014)

EXCHANGE RATE (COL \$/US \$1) \$1,950

Offer Microcredit

Portfolio of commercial banks amounts US \$131 billion, of which 57% are commercial loans, 28% consumer loans, 11% mortgage and 3% are microloans (Figure 8).

Figure 8 Portfolio of banks in 2013



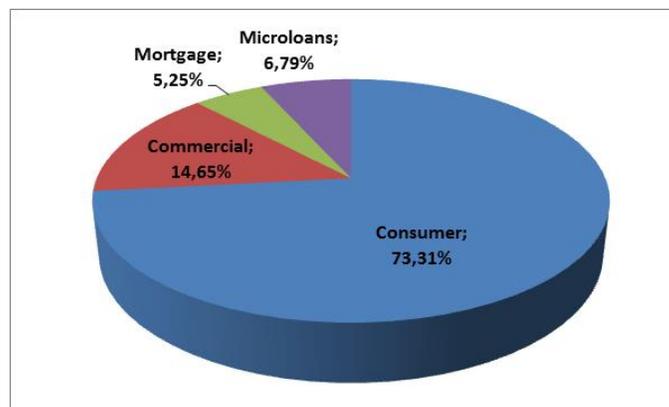
Source: Asobancaria (2014).

COOPERATIVES

As of 2013 there are 181 cooperatives supervised by the SSE; six cooperatives supervised by the FSC and one cooperative bank, recently converted to a commercial bank (Coopcentral), totaling 188 cooperatives with a total of 2,780,958 members³¹.

Cooperatives have an important regional and local presence in small-rural municipalities and are familiar with rural populations. Despite this characteristic, and although cooperatives have rural clients and small farmers among its members, they have focused mainly on consumer loans which represent 73.3% of their total portfolio. Portfolio of cooperatives amounts to US \$5.3 billion³² (Figure 9).

Figure 9 Portfolio of Cooperatives



Source: Confecoop (2014).

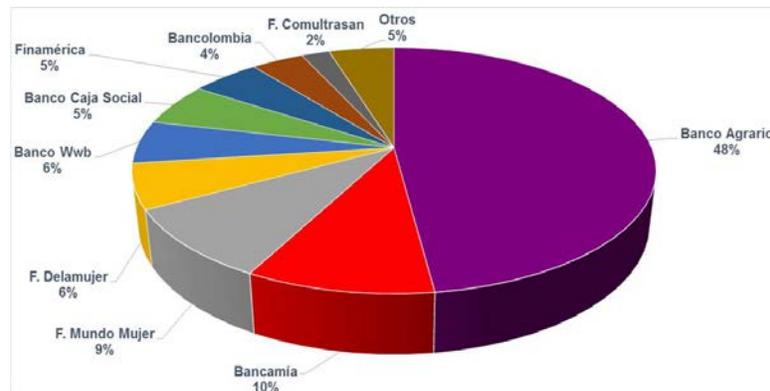
³¹ Supersolidaria (2014).

³² Confecoop (2014).

MICROFINANCE NGO AND OTHER MFI

Since 1980, microfinance NGOs have been the leaders in the microfinance industry. There are 20 microfinance NGOs in Colombia. The most successful have been the five institutions affiliated to the Women's World Banking Network, of which three have recently converted into banks³³ and it is expected that one other, Fundación Mundo Mujer (FMM), will become a bank later this year. Figure 10 shows market share of microfinance industry in Colombia.

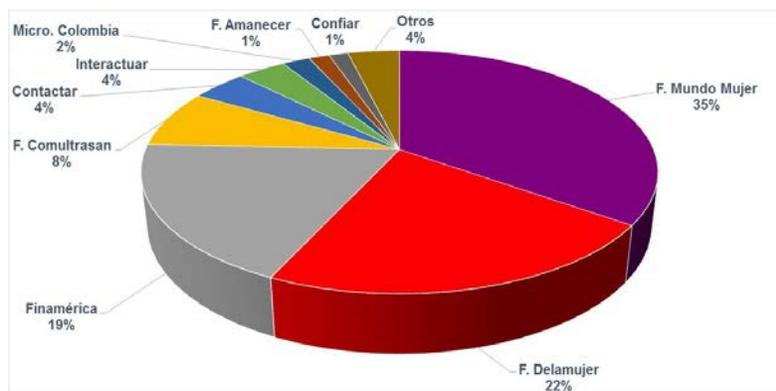
Figure 10 Microfinance industry – Market Share (Gross Microloan Portfolio) 2013³⁴



Source: Asomicrofinanzas (2014).

Excluding banks, microfinance NGOs are the leaders of the microfinance industry (Figure 11).

Figure 11 Microfinance industry – Market Share (Gross Microloan Portfolio), excluding banks 2013



Source: Asomicrofinanzas (2014).

³³ Corporación Mundial de la Mujer Medellín and Corporación Mundial de la Mujer Colombia merged and partnered with BBVA to create Bancamía in 2008 and WWB became Bank WWB in 2011.

³⁴ Microloans of Banco Agrario (BAC) are made with funding from Finagro (agricultural second-tier bank) at subsidized interest rates of around 10% annual effective; while all other financial intermediaries lend with their own funds at an average interest rate of 36% annual effective. The FSC establishes the interest rate ceiling for microloans, which is currently 51.18% annual effective. Financial intermediaries can also charge an additional MSME Commission of 7.5% for microloans up to US \$1,260 and of 4.5% for larger microloans.

The portfolio of microfinance NGOs and other microfinance institutions is worth approximately \$1.1 billion³⁵ (Table 6).

TABLE 6 Main Microfinance NGO and other microfinance institutions

	Microfinance NGO	Portfolio (USD \$ K)	Borrowers
1	Fundación Mundo Mujer	\$493.563	503.153
2	Fundación de la Mujer	\$289.996	331.491
3	Contactar	\$63.635	69.024
4	Interactuar	\$50.045	31.195
5	Fundación Amanecer	\$21.566	11.020
6	Fund. M. Santodomingo	\$6.891	4.983
7	Actuar Caldas	\$6.853	5.257
8	Actuar Tolima	\$6.548	9.090
9	Actuar Quindío	\$4.897	2.897
10	Fundesmag	\$3.947	1.406
11	Fundación Alcaraván	\$3.683	2.422
12	Fundesan	\$3.373	2.990
13	Fundescat	\$2.492	1.587
	Other Microfinance Institutions	Portfolio (USD \$ K)	Borrowers
1	Crezcamos S.A.	\$65.683	68.516
2	Activos y Finanzas S.A.	\$18.370	4.500
3	ECLOF Colombia SAS*	\$1.850	1.400

Source: Mix Market (2014)

* Source: Survey

5. MARKET STUDY

The market study was carried out among 29 FI and included eight commercial banks, one financial company, seven microfinance institutions and 13 cooperatives. This section presents the criteria used to select the FI and the methodology used to carry out the market study.

³⁵ Mix Market, "Colombia Market Profile", <http://www.mixmarket.org/mfi/country/Colombia>

SELECTION OF FINANCIAL INTERMEDIARIES

The purpose of the market study is to determine which financial intermediaries (FI) would have the greater potential to expand A2F to rural areas and could be the best partners for USAID in a strategic alliance. The selection criteria used to select FI for the market study were:

1. *Geographic coverage and infrastructure*: a wide geographic coverage and an extensive network of distribution channels are important to be able to offer financial services in rural areas.
2. *Innovative distribution channels*: The use of low cost distribution channels, such as banking agents (BA) and mobile banking, is important to be able to reach rural areas where transaction costs are higher.
3. *Target Market*: Microentrepreneurs and low income population are one of their target markets. The knowledge of the market in the base of the pyramid and the interest in fulfilling their financial needs increases the interest and potential to attend clients in rural areas.
4. *Financial products*: products targeted to small farmers and/or low income rural populations indicate that FI is already reaching rural markets.

In the case of Cooperatives, additional criteria were their size and if they have previously received TA from the GoC to strengthen their institutional and financial capabilities and to develop “*Semilla Cooperativa*”

Using these criteria, 29 FI were selected; eight banks; one FC; 13 cooperatives and 7 microfinance NGO (See Annex 1). Contact Details of Selected FI are in Annex 2.

METHODOLOGY

The methodology to carry out the market study included five approaches: presentation of the DCA Credit Guarantee scheme to FI, survey, interviews, field visits and research. DCA presentations to 26 FI, 23 surveys, 11 interviews, 3 field visits and research about 20 FI were completed (See Annex 3).

I. DCA Presentations

The purpose of the DCA presentation was to introduce this credit guarantee scheme to FI, as one of the possible means of partnering with USAID. The presentations were made together with USAID and included a context about USAID's strategy in Colombia for the coming years, focused on promoting rural development and the expansion of financial services in rural areas and for vulnerable populations, building alliances with financial partners.

2. Survey

The purpose of the survey was to gather detailed information and opinions from decision makers in selected FI, in order to determine the extent to which FI are interested in attending rural markets, the difficulties they face, the factors that would facilitate provision/scale-up of financial services in rural areas and their interest in forging an alliance with USAID. The survey included seven sections (See complete survey in Annex 4):

- I. *Generalities*: includes contact details and information such as years of operation, geographic coverage and infrastructure.
- II. *Portfolio*: includes total portfolio, microcredit portfolio and micro agro loans portfolio.
- III. *Products*: a list of the FI's products such as loans, deposits, insurance, transfers and remittances
- IV. *Target Market*: includes a review of target market of each FI.
- V. *Rural Areas*: includes details about whether the FI provides financial services outside urban centers.
- VI. *Agricultural Financing*: includes the main difficulties related to providing loans to the agricultural sector and factors that would facilitate agricultural lending.
- VII. *Strategic Partnerships*: discusses whether the FI is interested in forging an alliance with USAID and, if so, key contributions from USAID and from FI.

To facilitate DCA presentations to FI and filling out surveys by FI's management teams, support was requested from Asomicrofinanzas and WOCCU. Asomicrofinanzas organized two meetings³⁶ and WOCCU organized one.³⁷

3. Interviews

During April and May, 11 interviews were conducted with the management teams of selected FI. Criteria in selecting the FI to interview included strategic importance, geographic coverage, and experience in attending rural and agricultural markets.

4. Field Visits

Three field visits were made to three cooperatives with presence in small/rural municipalities, to visit clients that they are servicing in rural areas: i) to the Cooperative *Coofisam* in the municipalities Garzón and Gigante in Huila, in February; ii) to the Cooperative *Coocreatam* in the municipality El Peñol in Antioquia, in April; and iii) to the Cooperative *Microempresas de Colombia* in the municipalities of Urrao and Betania in Antioquia. In this last cooperative a BA was also visited. The visits were organized by WOCCU, which is providing TA to these cooperatives in the implementation of “*Semilla Cooperativa*” a savings and loan product targeted to rural populations. These field visits were important to understand the capacity of cooperatives to provide financial services in rural areas.

³⁶ Asomicrofinanzas organized one meeting in Bucaramanga with four FI and another meeting in Bogotá with 20 FI in April/14.

³⁷ WOCCU organized one meeting in San Gil (Santander) with 12 cooperatives in May/14.

5. Research

Research was carried out in order to complete the market study analysis, based on information requested from the FI, such as presentations and annual reports; on information published by specialized agencies, such as Mix Market and FOMIN; and from the FI's web pages.



6. RESULTS OF THE MARKET STUDY

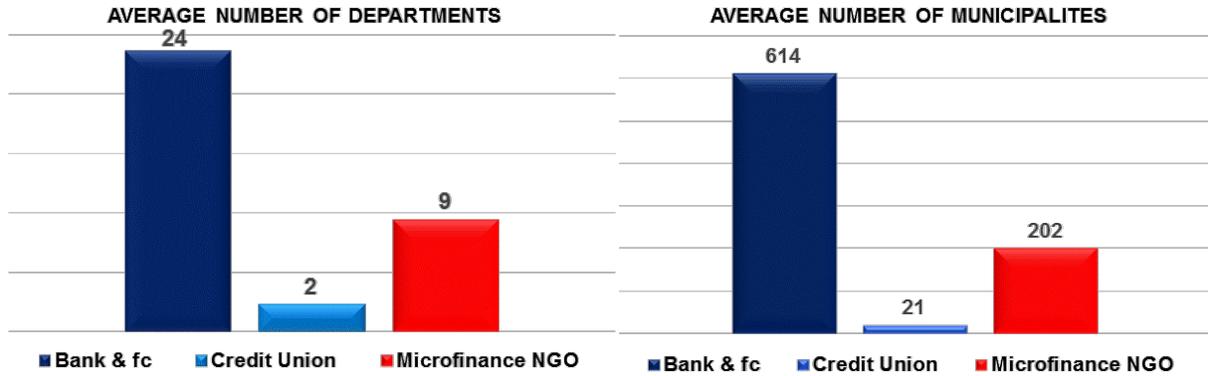
This section presents the results of the market study, classified into the seven sections of the survey. Results are analyzed by three groups of FI: banks and financial companies, microfinance NGO and SAS, and cooperatives³⁸. Detailed results per FI can be found in the annexes at the end of this document.

GEOGRAPHIC COVERAGE AND INFRASTRUCTURE

Banks and financial companies have the largest geographic coverage, with presence in an average of 614 municipalities and 24 departments. Microfinance NGOs also have an important coverage, while cooperatives have a limited regional coverage (Figure 12).

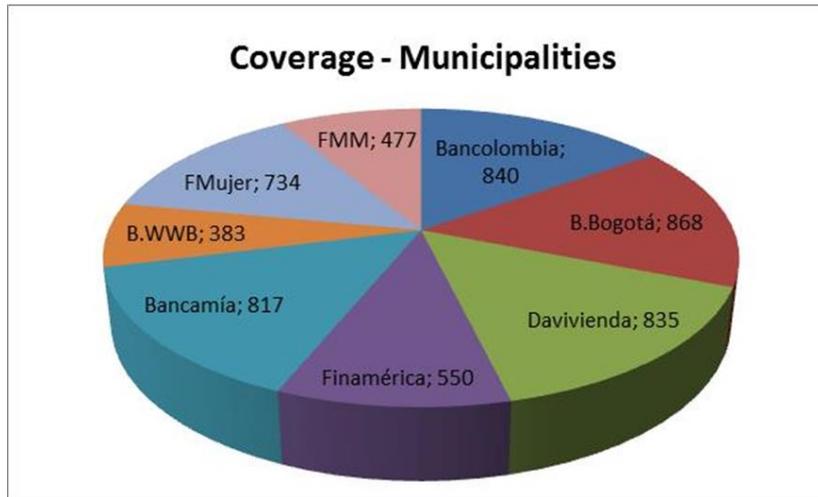
³⁸ Banks & FC include: Bancamía, Banco de Bogotá, Banco WWB, Bancolombia, Davivienda, Procredit and Finamérica. Microfinance NGO & SAS include: Fundación de la Mujer, Fundación Mundo Mujer, Contactar, Interactuar, ECLOF, Microcrédito AVAL and Fundación El Alcaraván. Cooperatives include the thirteen cooperatives selected for the market study.

Figure 12 Geographic Coverage by type of FI



Four Banks, Bancolombia, Banco de Bogotá, Davivienda and Bancamía, have presence in more than 74% of the municipalities of Colombia³⁹ (Figure 13).

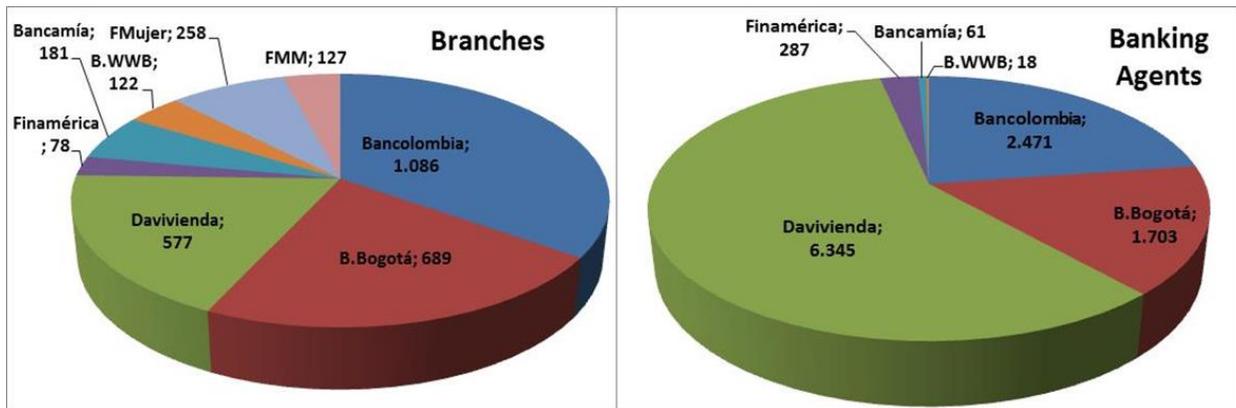
Figure 13 Geographic Coverage



Regarding infrastructure, banks have a diversity of distribution channels: branches, banking agents (BA) and ATM. The BA's network has exceeded the number of branches, and the ATM's network is also very important (Figure 14).

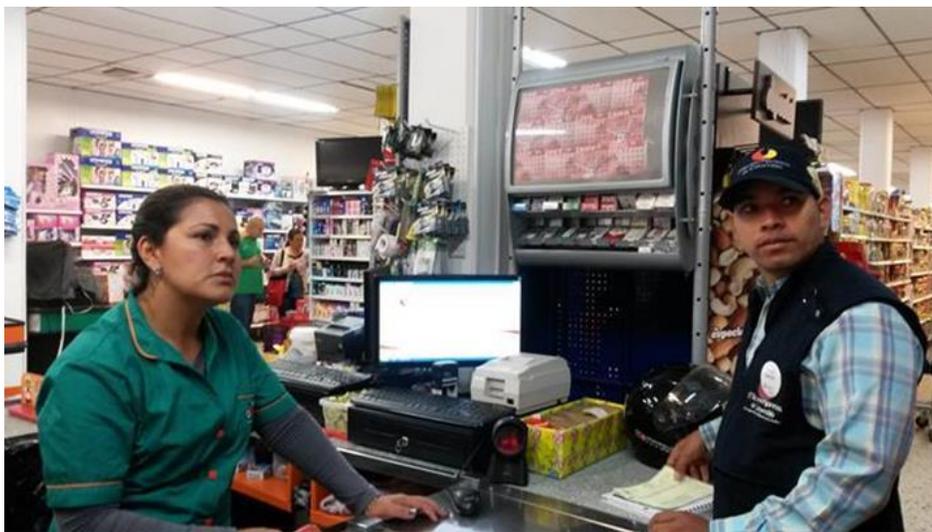
³⁹ In Colombia there are 32 departments and 1,102 Municipalities.

Figure I4 Infrastructure



The largest banks, Bancolombia, Davivienda and Banco de Bogotá, have mobile based products targeted to low income populations: Davivienda launched the E-Wallet *Daviplata* in 2011; Bancolombia launched the E-Savings *Ahorro a la Mano* in 2013; and Banco de Bogotá recently implemented the E-Savings product *Transfer Aval*.

In the case of microfinance NGOs and cooperatives, their infrastructure is based on branches. Only the cooperative Microempresas de Colombia has 32 BA in small municipalities.



“San Remo” Supermarket, BA of Microempresas the Colombia in Urrao Antioquia.

Geographic Coverage and infrastructure for every FI is in Annex 5.

PRODUCTS

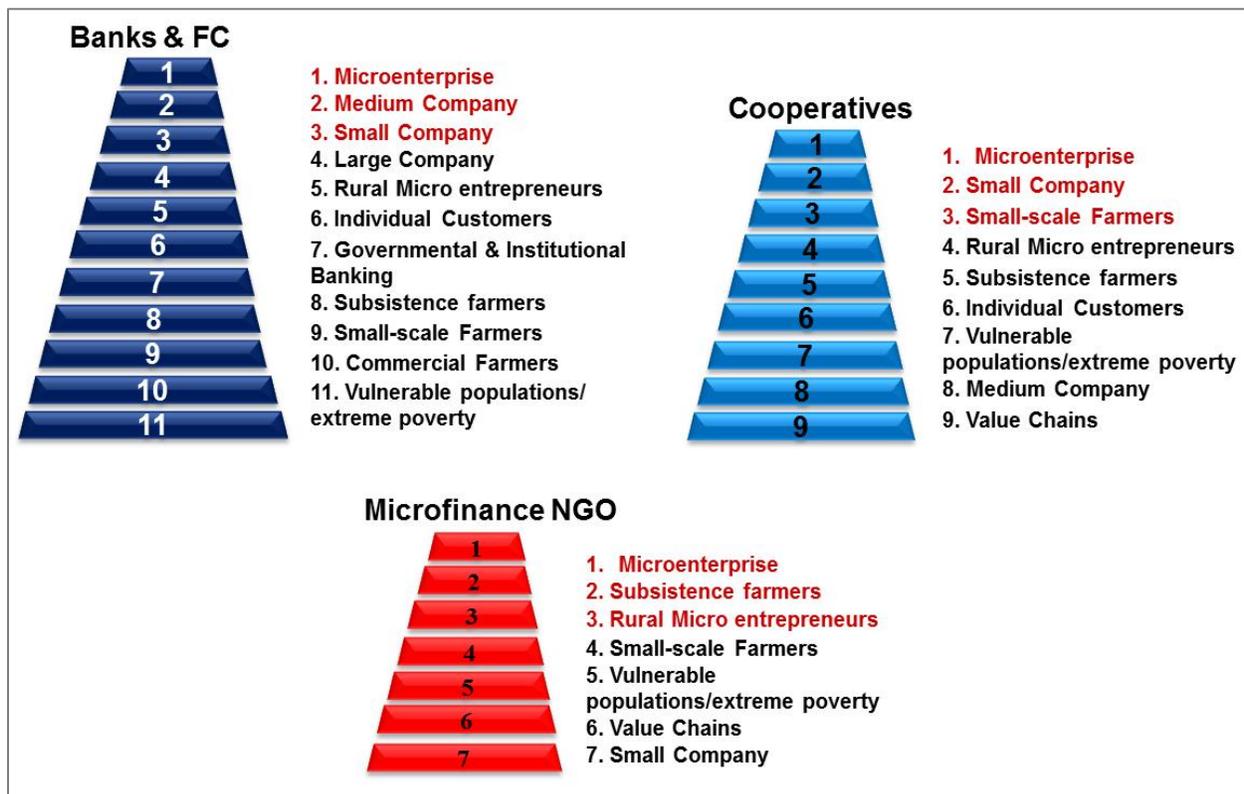
Banks, FC and cooperatives offer loans, deposits and insurance products. Four banks (Bancolombia, Banco de Bogotá, Davivienda and Bancamía) and most of the cooperatives also offer transfers and remittances services. Microfinance NGOs offer loans and insurance products, but not deposits, because they are non-supervised institutions. Products offered by every FI are in Annex 6.

TARGET MARKETS

The primary target markets of selected Banks & FC are microenterprise, medium company, small company and large companies. The reason for this result is that of selected Banks & FC, three are microfinance institutions (Bancamía, Banco WWB and Finamérica). The main target market of the largest banks, Bancolombia, Davivienda and Bancamía, are large companies, governmental and institutional banking, medium companies and individual customers (Figure 15).

In the case of cooperatives, the most important target markets are microenterprise and small companies, followed by rural markets: small-scale farmers, rural micro entrepreneurs and subsistence farmers. Microfinance NGO are more focused; after microenterprise, their primary markets are rural and agricultural. Target markets of every FI are in Annex 7.

Figure 15 Target Markets FI



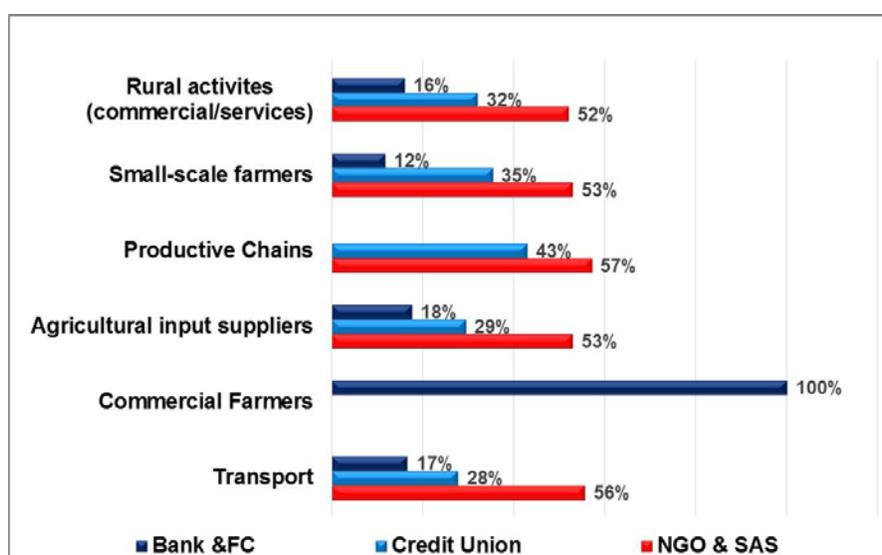
PROVISION OF FINANCIAL SERVICES IN RURAL AREAS

In this market study rural areas were defined as the capacity of FI of providing financial services outside urban centers. From the 29 FI, only three do not provide financial services outside urban centers (Citibank, Procredit and Cootrapeldar).

Usually, FI offer their full range of portfolio of products in both urban and rural areas. However, the largest banks, not focused on microfinance, attend to mainly commercial farmers, and they offer traditional products not targeted to the base of the pyramid. For this reason, although the offer may be present, the low income rural population frequently continues to be excluded. The opposite is the case of microfinance NGOs and some cooperatives, whose offer is targeted to attend to the needs of rural low income populations (Figure 16).

Detailed information about provision of financial services in rural areas for every FI is in Annex 8.

Figure 16 Provision of financial services in rural areas



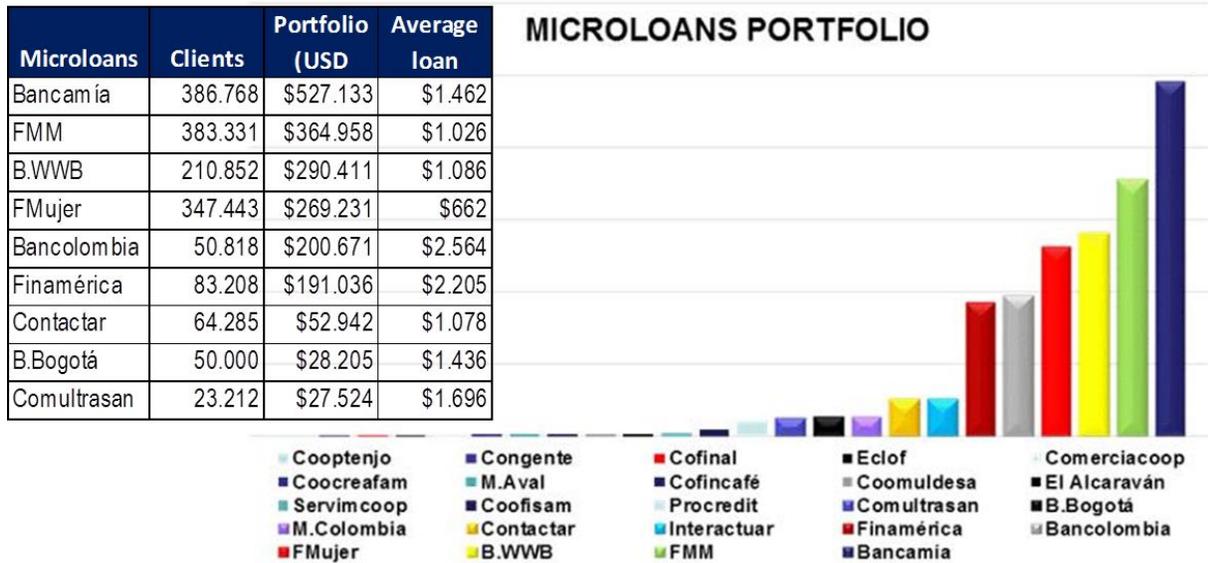
LOANS TO MICROENTERPRISES

Loans to microenterprises were considered an important aspect in the market study because they show to what extent FI are interested in attending low income populations. The survey asked about clients and portfolio of loans to microenterprises and also about micro agri loans to find out if the FI already has experience in attending small/subsistence farmers.

I. Clients and Portfolio

Colombia's microfinance industry is dominated by four FI; two microfinance banks, Bancamía and Banco WWB (B.WWB); and two microfinance NGOs, Fundación Mundo Mujer (FMM) and Fundación de la Mujer (FMujer).

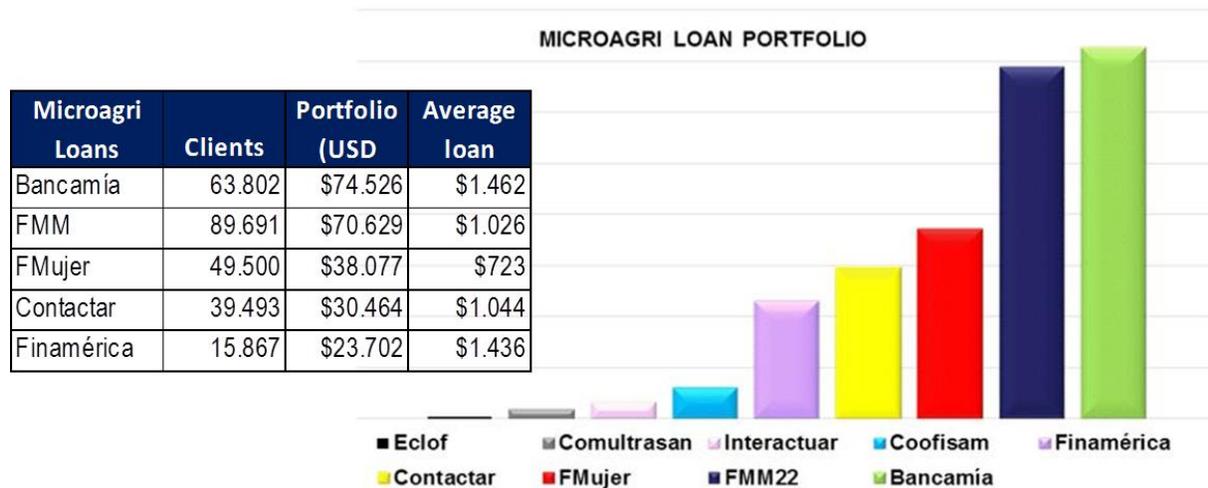
Figure 17 Microloan clients and portfolio



2. Micro agri loans

From the selected FI, nine offer micro agri loans: two banks, Bancamía and Finamerica; five microfinance NGOs, FMM, FMujer, Contactar, Interactuar and ECLOF; and two cooperatives, Coofisam and Comultrasan (Figure 18).

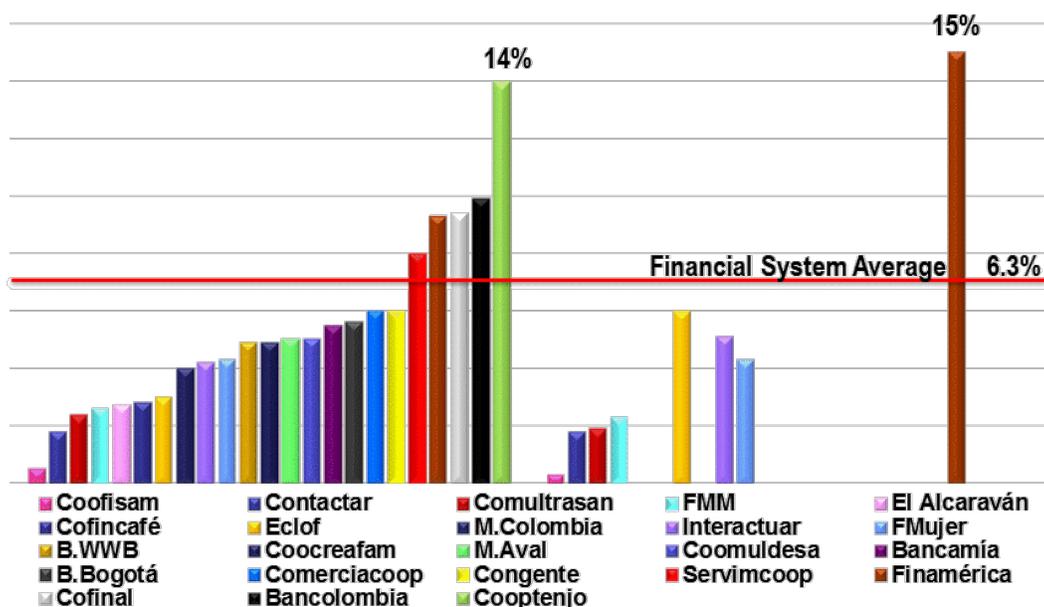
Figure 18 Micro agri loan clients and portfolio



3. Portfolio at risk beyond 30 days (%)

Average portfolio at risk beyond 30 days (PAR₃₀) of microcredit in Colombia was 6.3% in 2013⁴⁰. Two cooperatives and one microfinance NGO had the lower PAR₃₀, Coofisam (0,5%), Contactar (1,8%) and Comutrasan (2,4%); and five were above the average: Cooptenjo (14%), Bancolombia (9.9); Cofinal (9.4%), Finamérica (9,3%) and Servimcoop (8%). Finamérica was also above the average in its micro agri loan portfolio (15%).

Figure 19 PAR₃₀ micro loans and microagri loans



4. Microloan Conditions

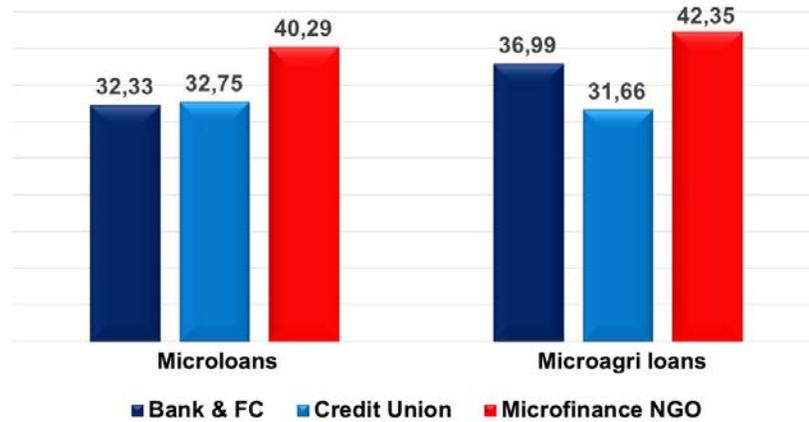
In Colombia micro loan interest rates are regulated. The interest rate ceiling is certified by the FSC every year, in September. Currently, the annual effective interest rate for micro loans is 51.18%.⁴¹ Additionally, FI can charge an additional fee of 4.5% or 7% for loans up to US \$3,000 to recognize the higher costs of making small loans.

Average interest rates of Microfinance NGOs are 40.29% for microloans, and 42.35% for micro agri loans; followed by banks & FC (32.33% and 36.99%, respectively). Cooperatives charge the lower interest rates (Figure 20). These interest rates, in the case of microfinance NGOs, explain why they can make the smaller average loans (Figure 21) and, in the case of cooperatives, lower interest rates reflect their lower costs of capital.

⁴⁰ Asomicrofinanzas (2014).

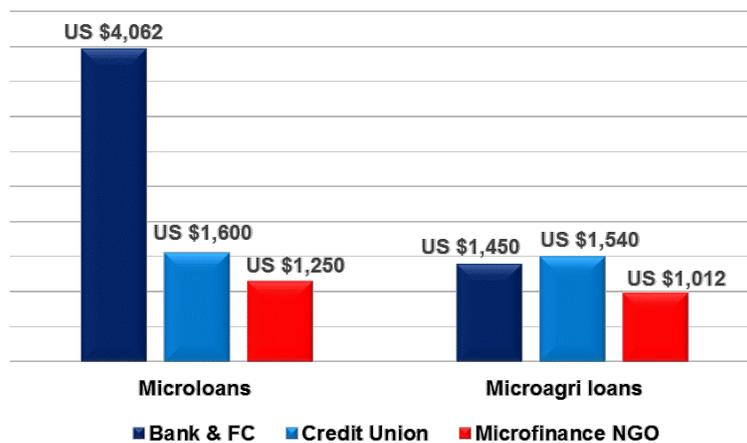
⁴¹ SFC (2013).

Figure 20 Average annual interest rate of micro loans and micro agri loans



The Average amount of microloans offered by both, banks and financial companies, is US \$4,062. Excluding Procredit, a bank with an SME focus⁴², the average microloan is US \$1,750. In the case of cooperatives it is US \$1,600, and in the case of microfinance NGOs it is US \$1,250. This result reflects that it is more difficult for banks to make small-value loans due to higher operating costs (See Figure 21).

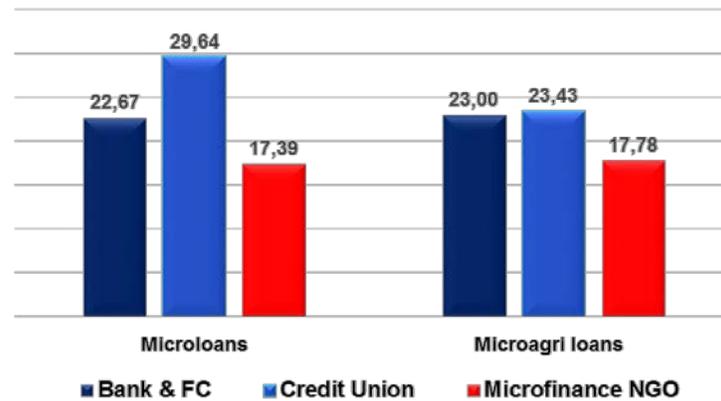
Figure 21 Average amount of micro loans and micro agri loans



The average term of micro loans and micro agri loans is 23 months in the case of Banks & FC. Cooperatives have a longer average term of 29 months and microfinance NGO lend at an average term of 17 months (See Figure 22).

⁴² Average loans of Procredit amount US \$15,616.

Figure 22 Average term of micro loans and micro agri loans



Detailed information about loans to microenterprises for every FI is in Annex 9.

AGRICULTURE FINANCING

This section of the survey had two questions: i) which are the main difficulties/challenges that FI face to provide agricultural lending, and 2) which would be the factors that would facilitate them to provide agricultural lending. FI were asked to choose the top five difficulties and the top five main factors, ranked from 1 to 5, where 1 is the greatest difficulty or the factor that would be most likely to facilitate them to provide agriculture financing.

I. Main Difficulties

Limited collateral, systemic risks of agriculture (weather, price, etc.) and high credit worthiness assessment costs (loan advisors, technology, etc.) are among the top five difficulties to provide agri financing (See Figure 23).

In the case of banks, lack of collateral is the main difficulty, also lack of infrastructure in rural areas (none/low coverage), and lack of agricultural technical know-how (crop cycles and yields, etc.), showing that this type of FI would need credit guarantees, co-financing for the expansion of infrastructure and capacity building.

In the group of cooperatives, other major difficulties are lack of agricultural technical know-how and lack of experience in providing financial services to the agricultural sector. This is because although some cooperatives are in small municipalities, their primary focus has historically been on consumer loans; furthermore, from the 13 cooperatives included in this market study, only two offer microagri loans (Comultrasan and Cofisam).

In the group of microfinance NGOs difficulties to identify bankable opportunities in the agricultural sector and lack of infrastructure in rural areas are also among the top five constraints.

Figure 23 Main difficulties to provide agriculture financing



Annex 10 contains detailed information per FI.

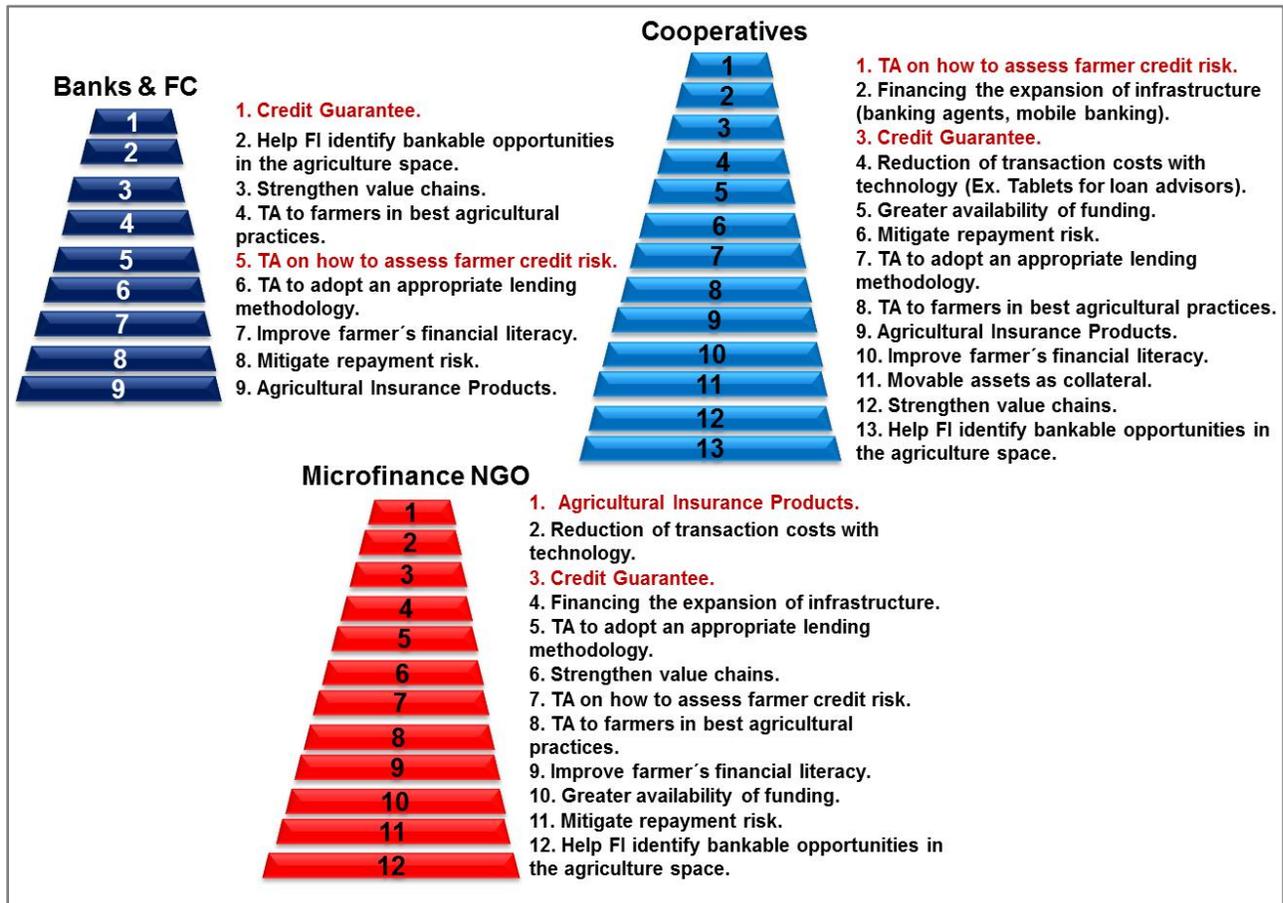
2. Main Factors that would facilitate the provision of agriculture financing

Main factors that would facilitate agricultural lending are a credit guarantee and technical assistance on how to assess farmer credit risk (See Figure 24). This is consistent with the fact that the main perceived difficulty is the systemic risks of agriculture. Therefore, a DCA credit guarantee becomes critical in unlocking access to agri financing.

For Banks & FC it is also important to receive help to identify bankable opportunities in the agriculture space, strengthen value chains as well as TA to farmers in best agricultural practices. Therefore, banks would need credit guarantees, a multi-stake holder alliance (involving producers and TA providers to producers), as well as capacity building.

For cooperatives and microfinance NGOs, due to their lack of infrastructure and technology, financing the expansion of infrastructure and the reduction of transaction costs with technology are very important factors to facilitate agri financing. Cooperatives also need greater availability of funding and microfinance NGOs agricultural insurance products to mitigate risks of agriculture.

Figure 24 Main factors that would facilitate agriculture financing



Annex II contains detailed information per FI.

INTEREST IN A STRATEGIC ALLIANCE

This section of the survey asked FI about their interest in forging an alliance with USAID and, if affirmative, which products or services would they like to offer/expand through an alliance. FI were asked to choose the three products that they would like to offer in an alliance, ranked from 1 to 3, where 1 is the product/service that they would most like to offer.

Of the 27 FI which answered the interview, 26 answered that they are interested. Only the cooperative Coomuldesa answered that it is not interested in forging an alliance with USAID.

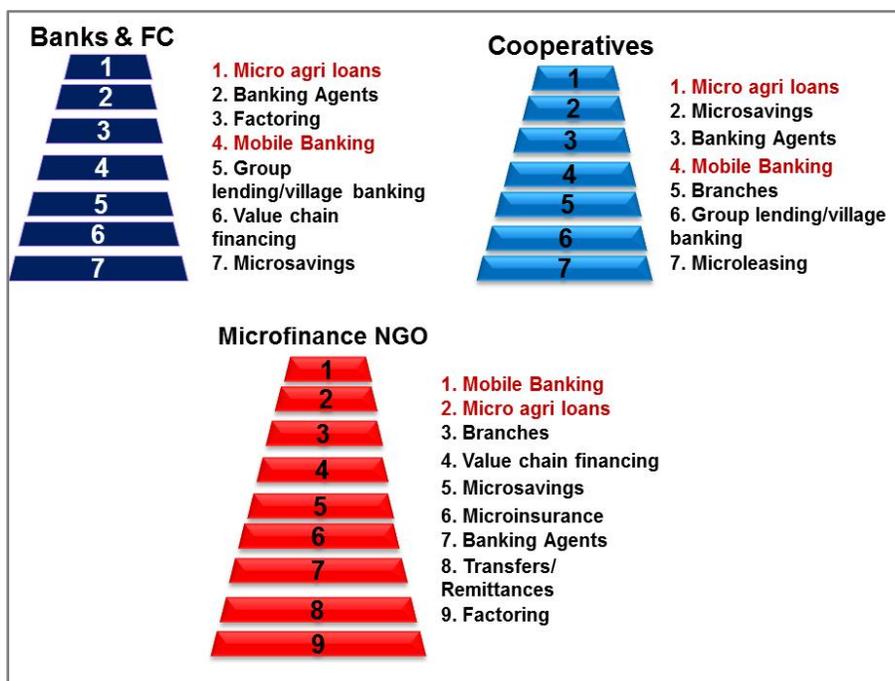
I. Main products/services that FI would like to offer/expand in an alliance

Main products/services that FI would like to offer/expand in an alliance with USAID are Micro agri loans and mobile banking (See Figure 25). These results show that FI are interested in developing adequate financial products (from the 27 FI only 9 offer micro agri loans) and in attending rural markets, using

mobile banking technologies. It is worth mentioning that TA to design and implement micro agri loan products, financed by BdO, started this year. The TA provider is WOCCU and eight of the participating FI in this market study will receive TA.⁴³

Additionally, each of the three groups stated that they would like to expand infrastructure, Banks & FC through BA and mobile banking; cooperatives through BA, mobile banking and branches, and microfinance NGOs through mobile banking and branches. Additionally, Banks & FC would like to develop factoring products; cooperatives plan to develop microsavings accounts; and microfinance NGOs would like to develop value chain financing with USAID assistance.

Figure 25 Main products/services that FI would like to offer/expand in an alliance



Annex 12 contains detailed information per FI.

KEY CONTRIBUTIONS TO THE ALLIANCE

Finally, the survey asked FI about the key contributions from both, USAID and partner FI, in case of an alliance. FI were asked to choose three key contributions, ranked from 1 to 3, where 1 is the most valuable contribution.

FI consider that the most important contributions from USAID are a credit guarantee to reduce lending risk (Loan Portfolio Guarantee) and co-finance the expansion of infrastructure (See Figure 26). These

⁴³ Bancolombia, Banco de Bogotá, Davivienda, Fundación de la Mujer, Fundación Mundo Mujer, Contactar, Comultrasan and Microempresas de Colombia.

results are consistent with the answers to the previous sections. Additionally, Banks & FC as well as microfinance NGOs would like USAID to co-finance a project to promote electronic payments.

Banks & FC, also consider TA important in the assessment of agricultural risks and access to bankable opportunities in rural areas. Cooperatives consider the ability to co-finance the implementation of technology and a credit guarantee to facilitate fund raising to be key contributions of USAID. Microfinance NGOs also consider the commitment to co-finance the implementation of technology and a partnership involving a network of partners to be key contributions of USAID.

Figure 26 Key contributions of USAID to an alliance



Annex I3 contains detailed information per FI.

FI are also willing to contribute to an alliance, mainly co-financing the expansion of infrastructure and co-financing a project to implement E-Payments (Figure 27).

The last part of this section asked about the key contributions from partner FI in a future alliance. FI were asked to choose three contributions ranked from 1 to 3. The three groups are willing to co-finance infrastructure, technology and electronic payments and to implement a financial literacy program. Additionally, cooperatives and microfinance NGOs are willing to cover additional operating costs.

Figure 27 Key contributions of FI to an alliance



Annex 14 contains detailed information per FI.

INTEREST IN DCA CREDIT GUARANTEES

This market study showed that a key contribution of USAID to an alliance is a DCA Credit Guarantee. DCA Credit Guarantee agreements with FI could significantly contribute to unlocking A2F in rural areas. Not only because a DCA significantly mitigates the risks of agriculture financing, but also because FI in Colombia do not have other credit guarantee options for agriculture financing when providing loans at market interest rates.

In Colombia there are two main public guarantees, the guarantee provided by National Guarantee Fund (NGF), that can be used to back credit operations for commerce, services and the manufacturing industry (not agricultural activities); and the Agricultural Guarantee Fund (AGF) for agricultural activities if FI lend with Finagro resources at subsidized interest rates.

The current environment is conducive to develop DCA Credit Guarantee agreements because FI are interested in expanding towards rural areas with targeted products such as micro agri loans. Moreover, eight FI selected for this market study will begin to receive TA in the implementation of micro agri loans financed by BdO and provided by WOCCU.⁴⁴

⁴⁴ Three Banks (Bancolombia, Banco de Bogotá, Davivienda); two Cooperatives (Comultrasan and Microempresas de Colombia); and three microfinance NGO (FMM, FMujer and Contactar).

As a result of the DCA presentations and the surveys carried out, four FI, Finamérica, Comultrasan, Bancolombia and Banco de Bogotá have expressed interest in developing DCA agreements.

MOST PROMISING FI

Based upon the results of the market study, this section analyses the degree of interest of FI in making an alliance with USAID, as well as their potential. The objective is to determine which FI would be the most promising strategic partners for USAID in case of an alliance.

The survey and the interviews of the market study were carried out among the management teams of FI and, in many cases, with the head of the FI. This was a key aspect, because only the management team could answer the question about the interest in forming an alliance with USAID, as well as the key contributions from USAID and from the FI.

1. Interest of FI in forming an alliance with USAID

The interest in forming an alliance with USAID refers to the importance that each of the FI's management team showed in:

- Answering the survey.
- Meeting with USAID to discuss strategies and possible areas of collaboration.
- Answering questions and providing additional information.

The degree of interest is an important aspect because it is an indicator of the expected management's commitment in case of forging an alliance. Considering the subjectivity of this criterion, the following score was applied to every FI:

TABLE 7 Interest in forging an alliance with USAID

Bank	Criteria
Very High	The FI said it has a lot of interest in forging an alliance with USAID and explained in which areas the FI and USAID could work together.
High	The FI answered the survey promptly, showed interest in meeting with USAID and explained the areas of interest in case of an alliance.
Indifferent	The FI answered the survey and provided additional information requested.
Low	The FI said it has other priorities. It was difficult to get answers to the survey.
None	The FI answered that it has no interest in forging an alliance with USAID.

Annex 15 presents the score for each FI.

2. Potential of FI

The potential of FI refers to the results and impact that could be expected from an alliance. The potential of each FI was determined based on:

- *Geographic coverage and infrastructure:* FI has wide geographic coverage and/or presence in small/rural municipalities.
- *Innovative distribution channels:* FI has implemented low cost distribution channels, such as BA and mobile banking.
- *Target Market:* Microentrepreneurs, rural microentrepreneurs and small/subsistence farmers are among their priority target markets.
- *Financial products:* FI has products targeted to rural and agri markets, such as micro agri loans.

To measure the potential, the following score was applied to every FI:

TABLE 8 FI Potential

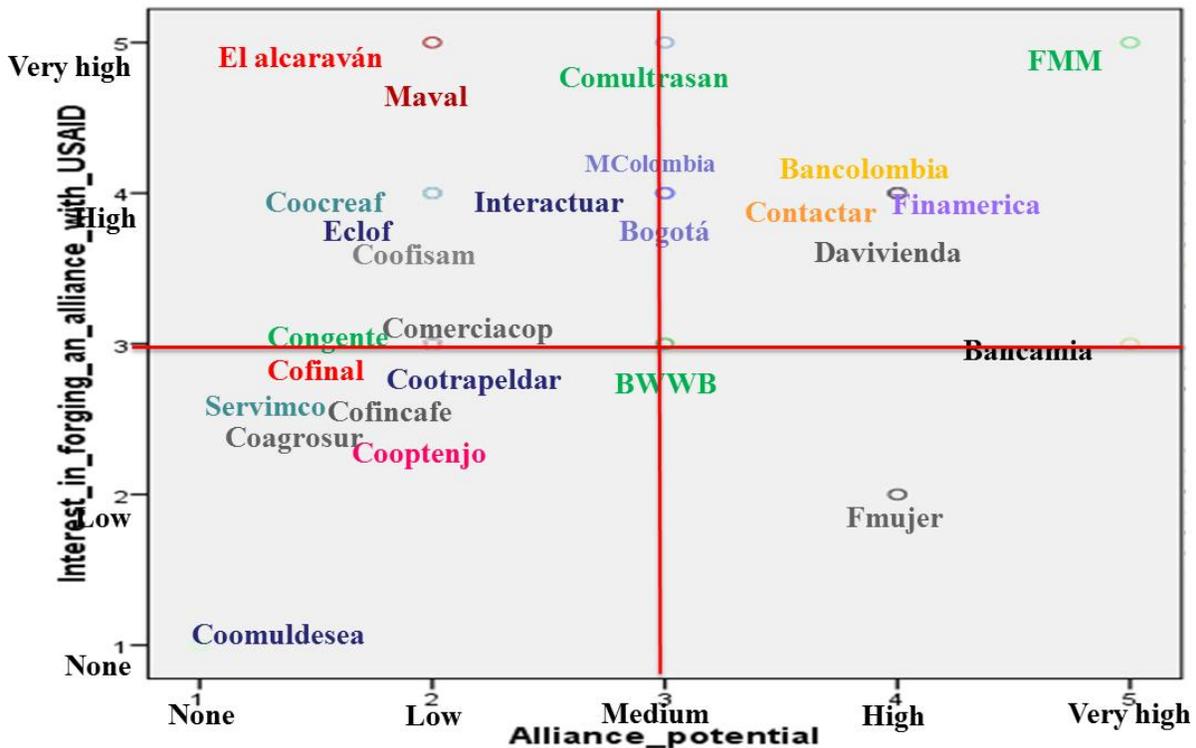
Bank	Criteria
Very High	The FI has a wide geographic coverage and broad experience in attending rural and agri markets. The rural market is a priority in its strategy.
High	The rural market is a priority in FI strategy and it has experience in attending rural and agri markets; or the FI has an extended geographic coverage and distribution channels to attend rural areas, such as BA and mobile banking.
Medium	The FI has experience in attending rural and agri markets, a medium size loan portfolio to microenterprises and/or small farmers, and regional geographic coverage.
Low	The FI is small FI by assets or portfolio with limited geographic coverage.
None	The FI answered that has no interest in expanding coverage to rural markets.

Annex 15 presents the score for each FI.

3. Results

The results of scoring the degree of interest of every FI in forging an alliance with USAID with their alliance potential show that the most promising FI are Fundación Mundo Mujer (FMM), Bancolombia, Finamérica, Contactar and Davivienda because they have both higher interest and higher potential (Figure 28).

Figure 28 Interest and potential of FI



FMM is the largest microfinance NGO, with an important micro agri loans portfolio of US \$70 million and almost 90,000 clients (Figure 17). Furthermore, FMM is the next microfinance NGO that would become a bank at the end of 2014. Bancolombia, the largest Colombian bank by assets, has a wide geographic coverage and infrastructure and innovative channels, such as a network of almost 2,500 BA (Figure 14) and the mobile savings account *Ahorro a la Mano*, targeted to unbanked population, with more than 100,000 clients. Additionally Bancolombia will start receiving TA to implement micro agri loans from BdO, provided by WOCCU. Finamérica is an important player in the microfinance industry, which recently ended the successful utilization of a DCA Credit Guarantee, it has a micro agri loans portfolio, and it is interested in continuing to expand towards rural areas. Contactar is the most experienced MFI in attending rural and agri markets, with more than 60% of its clients in rural areas. Additionally, its regional coverage is in areas of interest of USAID (Nariño and Putumayo). Davivienda is the third largest Colombian bank, with the largest BA network of more than 6,300 BA (Figure 14) and the mobile based E-Wallet *Daviplata* with more than 2 million clients. Additionally Davivienda will start receiving TA to implement micro agri loans from BdO, provided by WOCCU.

A second group of FI are Comultrasan, Microempresas de Colombia, Interactuar and Banco de Bogotá, with very high degree of interest and medium potential. Comultrasan is the largest cooperative with almost 350,000 members. It offers loans to microenterprises, using adequate lending methodologies, and plans to continue to expand its operations towards rural municipalities with less than 30,000 populations. Comultrasan is another MFI which will benefit from the TA in micro agri loans provided by WOCCU. Microempresas de Colombia converted from microfinance NGO to cooperative in 2009 and all its almost 40,000 members are microentrepreneurs. This cooperative has a regional coverage in Antioquia, an area of interest of USAID and will also benefit from the TA in micro agri loans provided by WOCCU. Interactuar is the only microfinance NGO which provides not only loans, but also a full range

of entrepreneurial and consultancy services to microentrepreneurs and small/subsistence farmers (such as improving production technologies, marketing and accessing markets). This microfinance NGO has a regional coverage in Antioquia and Córdoba, areas of interest to USAID. Banco de Bogotá, the second largest Colombian bank, which has wide geographic coverage, with an extended network of more than 1,700 BA (Figure 14), recently implemented the mobile based savings product *Transfer Aval*, and will implement micro agri loans with TA provided by WOCCU.

A third group of FI are the cooperatives Coofisam, Coocreafam and Congente as well as the microfinance NGOs Fundación El Alcaraván, Microcrédito Aval and Eclof with high degree of interest in forming an alliance with USAID but limited potential.

Finally, the remaining FI either have high potential but did not appear to be very interested in forging an alliance with USAID (or showed less interest than other FI), such as Bancamía, Fundación de la Mujer (FM) and Banco WWB; or have both less interest and low potential: Cofinal, Cootrapeldar, Servimcoop, Cofincafé, Coagrosur and Cooptenjo. Coomuldesa stated it is not interested in an alliance with USAID and has low potential.

7. CONCLUSIONS OF THE MARKET STUDY

The main conclusions of the market study are:

- ❖ There is interest of FI in providing/scaling up financial products towards rural markets.
- ❖ Banks have advantages in geographic coverage and infrastructure, but rural markets are not their priority target market, and have little or no experience in attending small/subsistence farmers. However, this is not the case of Bancamía, a former microfinance NGO converted into a bank in 2008. For Bancamía rural and agri financing are a priority, but it needs to expand coverage and infrastructure.
- ❖ Microfinance NGOs are the most experienced in attending rural markets, and small/subsistence farmers are a priority target market, but they need support in expanding coverage and infrastructure.
- ❖ Cooperatives have very limited coverage and infrastructure, need funding and technology and have little to no experience in providing microloans to small/subsistence farmers (with a very few exceptions). However, they are close to rural markets; small farmers are potential members and can offer deposits.
- ❖ Limited collateral, systemic risks of agriculture and high transactions costs are the main difficulties that FI face to attend rural markets.
- ❖ Therefore, mitigating risks is key: a credit guarantee, capacity building in assessing farmer credit risks, and agricultural insurance are the factors that would facilitate agri financing.

- ❖ FI are interested in making an alliance with USAID to expand financial services in rural areas.
- ❖ Mobile banking and microagri loans are the products/services that FI would like to offer/expand in an alliance with USAID.
- ❖ Therefore, key contributions from USAID are a DCA - LPG credit guarantee to reduce credit risk; co-finance the expansion of infrastructure (mobile banking, banking agents), and co-finance the implementation of technology.
- ❖ FI are willing to co-finance the expansion of infrastructure, the implementation of technology, and a project to promote E-payments.
- ❖ The current environment is conducive to develop DCA Credit Guarantee agreements because FI are interested in expanding towards rural areas with targeted products, such as micro agri loans. Four FI, Finamérica, Comultrasan, Bancolombia and Banco de Bogotá, have expressed interest in developing DCA agreements.
- ❖ Most promising FI to forge an alliance with USAID are FMM, Bancolombia, Finamérica, Contactar and Davivienda because they have both higher interest and higher potential; followed by Comultrasan, Microempresas de Colombia, Interactuar and Banco de Bogotá which have a very high degree of interest and medium potential.

8. RECOMMENDATIONS

This section presents recommendations about alliances that USAID could successfully develop, based on the results of a desktop review about alliances with the financial sector, carried out earlier this year⁴⁵, and based on the results of this market study. Additionally, some recommendations to consider when designing alliances.

The proposed alliances that USAID could successfully develop are focused on catalyzing sustained offer of financial services in rural areas, by facilitating FI to reach rural markets:

- I. **Develop DCA Credit Guarantee agreements:** with FI that are in the process of developing micro agri loan products; that are among the most promising FI; and that have expressed interest. These FI are Bancolombia, Finamérica, Comultrasan and Banco de Bogotá.

There could be also an opportunity for the development of a group guarantee for the group of FI that are receiving TA from WOCCU in the development of micro agri loans, financed by BDO. In addition to the mentioned above (except Finamérica), these are Contactar, Davivienda, Microempresas de Colombia and FMM, also among the most promising FI to develop alliances, as well as FMujer. A meeting with BdO to inquire about its interest is also recommended.

⁴⁵ Parra (2014).

2. **Design an Annual Program Statement (APS) to develop the following Global Development Alliances (GDA):**

GDA to promote mobile banking and E-Payments: invite selected FI to present a project proposal to implement/expand mobile banking through the implementation/expansion of mobile based products, such as E-Savings and E-Wallets or the development of payment ecosystems. This proposal could include the expansion of BA as cash-in / cash out points. HIFIVE/USAID project in Haiti is an example of an innovative mechanism for assigning funds.

GDA to promote the implementation of technologies: to reduce transaction costs of providing financial services in rural areas. The GDA would be targeted mainly to small and medium sized cooperatives and microfinance NGOs with presence in small/rural municipalities. Promoting the development of this kind of FI is very important to reach rural areas. In this case, USAID could ask for individual or a group proposal to co-finance the implementation of technology (tablets, PAMS).

GDA to promote value chain financing: targeted to small/subsistence farmers: some microfinance NGOs, such as Interactuar and Contactar, have valuable experience in providing, not only loans, but also a complete set of services to the farmers, including TA in best agricultural practices, entrepreneurship, and others. The project proposal could include the condition of providing capacity building to other FI, based on experience and lessons learned.

3. **Develop a multi stakeholder alliance project:** to promote one-three productive chains with competitive advantage and export potential: involving providers of financing, providers of TA to farmers, providers of TA to FI, and others, based on the USAID's experiences of the *Peru Cocoa Alliance* and the *West Africa Trade Hub*.

Finally, when designing alliances, it is also recommended:

4. **Develop alliances targeted to rural areas in general:** avoid restricting only to geographical areas of USAID's interest in which it is more difficult for FI to start offering new products/services (due to lack of infrastructure and security issues, among other difficulties). Including all rural areas would enable FI to start/expand their supply of rural financial services, beginning in areas where the chances of success and impact of the alliance are greater; and would avoid limiting interest of FI in building an alliance with USAID. But USAID could provide incentives to reach areas of interest in the proposals.
5. **Develop alliances targeted to both small/subsistence farmers and emergent farmers:** Chapter 3 of this document showed that Colombia is mainly a country of small/subsistence farmers that represent 88% of total farmers (Table I, Figure I). For this reason it is recommended to make a combination of alliances/projects, such as the proposed in previous recommendations that benefit both, small/subsistence farmers and emergent farmers.

9. INPUTS FOR GDA APS

In order to implement strategic alliances that promote effective access to financial services in rural areas, this section presents the aspects that should be considered in developing the GDAs recommended in the previous section.

The objectives of implementing GDA with the financial sector are:⁴⁶

- ❖ Develop innovative, sustainable approaches to A2F in rural areas.
- ❖ Combine the assets and experiences of financial sector.
- ❖ Leverage market-based solutions.
- ❖ Develop alliances that are both sustainable and have greater impact.
- ❖ Leverage capital and investments: at least 1:1 leverage (cash and in-kind) of USAID's investment in the partnership.

The GDA request should include:

Introduction

Explain USAID development objectives in Colombia and new approach of development, based on building strategic alliances with FI to expand A2F in rural areas.

Background

Market study about financial services in rural areas and demand survey to rural population and FI.

Objective

Co-finance projects that result in increased A2F for rural populations.

Rural areas

Rural areas are those outside urban centers.

Target Markets

- ❖ Subsistence and small farmers.
- ❖ Low income rural populations.

Kind of projects to be co-financed

- ❖ Projects to expand infrastructure, using innovative and low cost channels, such as mobile banking and BA.
- ❖ Projects to expand the offer of financial products and services, such transactions (E-Payments), deposits (E-Savings and E-Wallets), loans, remittances and insurance products.

⁴⁶ USAID, "Global Development Alliances", <http://www.usaid.gov/gda>

- ❖ Projects to reduce transaction costs of providing financial services in rural areas, using innovative technologies (such as tablets).
- ❖ Projects to promote mobile based payment ecosystems, to reduce the use of cash.
- ❖ Projects to promote P2B and P2P.
- ❖ Projects to provide a comprehensive set of microentrepreneurial services to small/subsistence farmers, targeted to improve farmers' competitiveness and incomes. This may include TA to increase productivity, improve quality and efficiency, advisory services to facilitate access to markets; as well as loans to finance working capital and investment; thus, promoting A2F.

Mechanism for assigning funds

The objective is to assign resources to the best proposals, and provide incentives to FI to increase leverage, results and impact. The proposals can be evaluated using the following criteria:

- ❖ Proposed rural areas to be reached.
- ❖ Leverage of resources proposed: minimum, 1:1.
- ❖ Results and impact: number of rural populations reached, products to be implemented

Additional score can be established for those FI that:

- ❖ Propose a leverage superior to 1:1
- ❖ Include strategic areas of interest of USAID.
- ❖ Include populations of interest of USAID: victims, demobilized, ethnic groups (Afro-Colombian and Indigenous populations), women.
- ❖ Present innovative proposals.
- ❖ Propose the highest goals in a shorter time (HIFIVE/USAID project in Haiti is an example of this mechanism).
- ❖ Include projects that benefit the environment.
- ❖ Provide capacity building to other FI, based on experience and lessons learned.

Type of FI that can present proposals

FI that can present project proposals are those that meet one of the following criteria:

- ❖ FI supervised by the FSC or the SSE.
- ❖ Recognized Microfinance Institution in Colombia (MFI).
- ❖ Recognized Social Impact Fund.

Proposals can be presented by

- ❖ A single FI.
- ❖ A group of FI (i.e. a group of cooperatives) to leverage resource and achieve greater impact.
- ❖ A FI and other partners such as technology providers, AT providers to both farmers and FI, Social impact funds, Farmer's associations or other partners that can add value to the alliance.

FI Requirements

FI that can present project proposals should meet the following requirements:

- ❖ At least 5 years of operation.
- ❖ Risk rating of at least AA if it's a commercial bank or financial company.
- ❖ Have second tier funding from a recognized second bank (Bancoldex, Finagro or Findeter).

Structure of proposal

The proposals should include:

- ❖ Objective: problem to be solved.
- ❖ Geographical focus: rural areas, but if FI proposed to reach areas of interest of USAID.
- ❖ Target market to benefit with project proposal.
- ❖ Project.
- ❖ Base Line.
- ❖ Goals.
- ❖ Leverage proposition.

10. ANNEXES

ANNEX I: FI SELECTED FOR MARKET STUDY

Banks & FC

Bank	Description	Highlights
Bancamía	<ul style="list-style-type: none"> Former microfinance NGO, converted into a commercial bank in 2008. One of the major players in the microfinance industry. Risk rating: AA. 	<ul style="list-style-type: none"> Presence in 29 Departments and 817 municipalities. 181 branches. Almost 400,000 clients. Microloan portfolio of US \$500 M+ Offers <i>Agromía</i> a microagri loan product for subsistence farmers to finance working capital and investment. 63,802 micro agri clients.
Banco Coopcentral	<ul style="list-style-type: none"> Former cooperative, recently converted into a second tier commercial bank. 	<ul style="list-style-type: none"> Provides wholesale lending to cooperatives and microfinance institutions.
Banco de Bogotá	<ul style="list-style-type: none"> Second largest bank which belongs to AVAL Group. More than 6M Customers. Listed on the BVC. Risk rating: AAA. Started offering microcredit, thanks to the TA provided under de MIDAS/USAID Microfinance Program. 	<ul style="list-style-type: none"> Presence in 25 Departments and 868 municipalities. 689 branches, 1,703 BA and 1,688 ATM. Started offering the E-Savings account <i>Transfer Aval</i>. Offers the <i>Cédula Cafetera</i> product. Microloan portfolio of US \$28 M+ and 50,000 microentrepreneurs. Receiving TA from the GoC provided by WOCCU to implement micro agri loans.
Banco WWB	<ul style="list-style-type: none"> Former microfinance NGO, converted into a commercial bank in 2011. One of the major players in the microfinance industry. Risk rating: AA- 	<ul style="list-style-type: none"> Presence in 25 Departments and 383 municipalities. 122 branches and 18 BA. 200,000+ clients. Microloan portfolio of US \$290 M+ 49,500 micro agri clients.
Bancolombia	<ul style="list-style-type: none"> Largest Colombian bank which belongs to Grupo Bancolombia. More than 7M customers. 42.7% of transactions in the financial system were made thorough Bancolombia in 2013. Listed on the NYSE and the BVC. Part of the Dow Jones sustainability world index. Important player in agricultural loans targeted to corporate/ commercial farmers. Risk rating: AAA 	<ul style="list-style-type: none"> Presence in 32 Departments and 840 municipalities. 1,086 branches, 2,471 BA and 4,332 ATM. Offers the E-Savings account <i>Ahorro a la Mano</i> with more than 100,000 customers. Microloan portfolio of US \$200 M+ and 50,000 microentrepreneurs. Receiving TA from the GoC provided by WOCCU to implement micro agri loans. Received TA from USAID/MIDAS to implement adequate lending methodologies.
Citibank	<ul style="list-style-type: none"> Foreign bank focused on corporate banking. 	<ul style="list-style-type: none"> Its strategy is to start providing wholesale lending to microfinance institutions.

Davivienda	<ul style="list-style-type: none"> • Third largest bank by assets in Colombia which belongs to the Bolivar Group. • Almost 6M customers. • Listed on the BVC. • Important player in agricultural loans targeted to corporate/ commercial farmers. • Risk rating: AAA 	<ul style="list-style-type: none"> • Presence in 28 Departments and 835 municipalities. • 577 branches, 6,345 BA and 1,582 ATM. • Offers <i>Daviplata</i>, an E-Wallet with more than 2 M customers, mainly poor population in rural areas which receive government subsidies. • Receiving TA from the GoC provided by WOCCU to implement micro agri loans.
Procredit	<ul style="list-style-type: none"> • Started operations in 2009 in Colombia. • Loan portfolio targeted to SME companies. • Risk Rating AA+ 	<ul style="list-style-type: none"> • Has developed successful alliances with USAID in Africa, Eastern Europe and Central America to promote rural lending.
Finamérica	<ul style="list-style-type: none"> • Microentrepreneurs, SMEs and independent workers of strata 1, 2 and 3 are its target market. • Important player in the microfinance industry. • Received TA from USAID MIDAS to implement adequate lending methodologies. 	<ul style="list-style-type: none"> • Presence in 22 Departments and 550 municipalities. • 78 branches, 287 BA and 45 ATM. • Microloan portfolio of US \$191 M+ and 83,208 microentrepreneurs. • Micro agri loan portfolio of US \$23 M and 15,867 micro agri loan clients. • Receiving TA from the GoC provided by WOCCU in micro agri loans.

Non Supervised MFI

Bank	Description	Highlights
Fundación de la Mujer - FM	<ul style="list-style-type: none"> One of the major players in the microfinance industry. 	<ul style="list-style-type: none"> Presence in 29 Departments and 734 municipalities. 258 branches and 744 attention points. Offers a range of <i>Fundacrédito</i> micro agri loan products. Microloan portfolio of US \$269 M+ and 347,000+ clients. Micro agri loan portfolio of US \$39 M and 49,500 micro agri clients.
Fundación Mundo Mujer - FMM	<ul style="list-style-type: none"> Largest Microfinance NGO in Colombia. Part of the WWB network. In the final stages of becoming a commercial bank. Rural clients are a top market target. Received TA from USAID/MIDAS to improve lending methodologies. 	<ul style="list-style-type: none"> Presence in 25 Departments and 477 municipalities. 127 branches and 19 attention points. US \$500 M Portfolio and 500,000+ clients.⁴⁷ 5th largest MFI in Latin America (LA); the 3rd most profitable (ROA=17.4% and ROE=33% in 2012) and the 12th in market penetration (micro loans portfolio/poor population was 2.8% in 2012).⁴⁸ PAR30 = 2.6%. Micro agri loan portfolio of US \$71 M and 89,691 micro agri clients.
Contactar	<ul style="list-style-type: none"> Medium sized microfinance NGO. Focused on servicing rural and agri markets. Received TA from USAID/MIDAS to improve lending methodologies. 	<ul style="list-style-type: none"> Presence in 3 Departments and 78 municipalities. 33 branches. Microloan portfolio of US \$53 M+ and 64,285 microentrepreneurs. Micro agri loan portfolio of US \$30 M and 39,493 micro agri clients. 82% of its clients are in rural areas: 41% agriculture, 19% livestock and 22% other rural activities. Ranked as 22nd among the top 100 hundred in LA, and 18th in PAR30 (PAR=1,1% in 2012) by the MIX, Fomin Rank.⁴⁹
Interactuar	<ul style="list-style-type: none"> Medium sized microfinance NGO. Only one which provides a full range of entrepreneurial services to entrepreneurs and small farmers. Planet Finance Risk Rating B+. 	<ul style="list-style-type: none"> Presence in 4 Departments and 90 municipalities. 21 branches. Microloan portfolio of US \$53 M+ and 31,861 microentrepreneurs. Micro agri loan portfolio of US \$3 M and 2,659 micro agri clients. One of the most profitable MFI in LA, ranked 18th (ROA=8.8%, and ROE=21.8% in 2012)⁵⁰ by the MIX, FOMIN Rank.

⁴⁷ Mix Market, "Colombia", <http://mixmarket.org/mfi/country/Colombia>

⁴⁸ Mix Market and FOMIN (2013).

⁴⁹ Mix Market and FOMIN (2013).

⁵⁰ Mix Market and FOMIN (2013).

Microcredit o AVAL	<ul style="list-style-type: none"> • Founded by Nobel Peace Prize winner Muhammad Yunus and the AVAL Group in 2013. • Provides group based loans to population in extreme poverty. 	<ul style="list-style-type: none"> • Small size microfinance institutions with local presence.
Fundación Alcaraván	<ul style="list-style-type: none"> • Planet Finance Risk Rating B-. 	
Eclof SAS	<ul style="list-style-type: none"> • Attends rural farmers. 	

Cooperatives

Bank	Description	Highlights
Financiera Comultrasan	<ul style="list-style-type: none"> • Largest cooperative supervised by the SSE. • Almost 350,000 members. • Received TA from USAID/MIDAS to improve its lending methodology. 	<ul style="list-style-type: none"> • Presence in 6 Departments and 38 municipalities. • 45 branches and 24 ATM. • Microloan portfolio of US \$27 M+ and 23,212 microentrepreneurs. • Micro agri loan portfolio of US \$1,9 M and 1,700 micro agri clients.
Microempresas de Colombia	<ul style="list-style-type: none"> • Former microfinance NGO which became a cooperative in 2009. • Almost 40,000 members. • Its entire portfolio is comprised of productive microloans. 	<ul style="list-style-type: none"> • Presence in 1 Department (Antioquia) in 113 municipalities. • 18 branches and 32 BA. • Microloan portfolio of US \$28 M+ and 19,992 microentrepreneurs.
Cofincafé Cofinal Comerciacoop Congente Coocreafam Coofisam Coomuldesa Cooptenjo Cootrapeldar Coagrosur Servimcoop	<p>This group of cooperatives has local presence in specific municipalities. They are currently receiving TA from WOCCU in the implementation of <i>Semilla Cooperativa</i>. They tend not to have micro lending methodologies and most of their portfolio is comprised of consumer loans. Many of them are ranked among the larger 50 cooperatives by portfolio.</p>	

ANNEX 2: CONTACT DETAILS OF SELECTED FI

Banks & FC

Bank	Name and Position	Telephone, E-Mail
Bancamía	❖ Oscar Romero Navas Vicepresidente de Riesgos	❖ T. (1) 313 9300, E. 117 Oscar.romero@bancamia.com.co Bogotá
Banco Coopcentral	❖ Ricardo Durán Romero Vicepresidente Financiero	❖ T. (1) 743 1088 Ricardo.duran@coopcentral.com.co Bogotá
Banco de Bogotá	❖ Oscar Enrique Guzmán Gerente Producto microempresarios y microfinanzas	❖ T. (1) 332 0032, E. 41602 M. 317 3729584 Oguzmal@bancodebogota.com.co
Banco WWB	Martin Cuenca Vicepresidente Comercial	T. (2) 6083999 M. 311 8786464 mcuenca@bancowwb.com
Bancolombia	❖ Liliana Galeano Directora Segmentos Pyme y Gobierno de Red	❖ T. (4) 4041818 M. 317 4287484 lgaleano@bancolombia.com.co Medellín
Citibank	Ana María Copete Relationship Manager Financial Institutions	T. (1) 487 7328 Anamaria.copete@citi.com Bogotá
Davivienda	❖ Luis Hernando Barón Gómez Jefe Comercial Daviplata	❖ T. (1) 330 0000, e. 94616 M. 314 4707430 lhbaron@davivienda.com Bogotá
Procredit	Yann Groeger Presidente	T. (1) 595 4040 y.groeger@procredit.com.co Bogotá
Finamérica	❖ Miguel Emiio Hernán Gómez Director de Proyectos Especiales	❖ M. 313 8862435 Miguel.hernan@finamerica.com.co Bogotá

Non Supervised MFI

Bank	Description	Highlights
Fundación de la Mujer - FM	Manuel Olago Vicepresidente Comercial	M. 321 2136881 Manuel.olago@fundaciondelamujer.com ❖ Bucaramanga
Fundación Mundo Mujer - FMM	Leonor Melo Presidente Ejecutiva	M. 313 7658796 leonor.melo@fmm.org.co Popayán - Cauca
Contactar	Gloria Bustos Directora Ejecutiva	T. 7316693 M. 312 8500577 ❖ gloriabustos@contactar-pasto.org Pasto - Nariño
Interactuar	Luis Felipe Cano Vieira Director de Cooperación	T. (4) 4508800, E. 1200 luisvcv@interactuar.org.co Medellín
Microcredito AVAL	Gabriel Mejía Director Ejecutivo	M. 321 2119148 mejiaquin@hotmail.com Bogotá

Fundación El Alcaraván	Diana Marcela Pérez Líder Unidad de Microcrédito	T. 885 1733; M. 315 8869486 Diana.perez@alcaravan.org.co Arauca - Arauca
Eclof SAS	Maria Victoria Aguirre Gerente	T. (1) 323 1421 mvaguirre@eclofcolombia.org Bogotá

Cooperatives

Bank	Description	Highlights
Financiera Comultrasan	John Jimmy Calderón Gerente Microfinanzas	T. (7) 680 2000, E. 5060 Johnjimmy.calderon@comultrasan.com.co Bucaramanga
Microempresas de Colombia	Patricia Pérez Gerente	T. (4) 6044660, E. 103 M. 313 7430451 Patricia.perez@microempresasdecolombia.com Medellín
Cofincafé	Julio César Tarquino Gálvi Gerente General	T. (6) 7413108; M. 315 5494744 julioctarquino@hotmail.com Armenia - Quindío
Cofinal	Esperanza Rojas Gerente	M. 316 2457027 Esperanzarojas52@gmail.com Pasto - Nariño
Comerciacoop	Jaime Dagoberto Sánchez Director de Riesgos	M. 313 4527934 riesgos@comerciacoop.coop Chiquinquirá - Boyacá
Congente	John Freddy Mora Gerente Financiero	T. (8) 6705588, E. 118 M. 315 8930632 Gerencia.financiera@congente.com.co Villavicencio - Meta
Coocreatam	Luis Fernando Gómez Giraldo Gerente	T. (4) 204 1040 M. 320 6833307 gerencia@coocreatam.com.co Medellín
Coofisam	Adriana Fajardo Cruz Subgerente Comercial	T. (8) 833 3656, 833 2306 M. 320 3485430 subgerenciacomercial@coofisam.com Garzón - Huila
Coomuldesa	Luis Torres Gerente General	T. (7) 7275493 luistorres@coomuldesa.com Socorro - Santander
Cooptenjo	Victor Hugo Camacho Correa Gerente General	T. (1) 593 9966, E. 8496 Victor.camacho@cooptenjo.com Tenjo - Cundinamarca
Cootrapeldar	Yesid Durán Gerente	T. (1) 852 2565 M. 312 5826463 gerencia@cootrapeldar.coop Zipaquirá - Cundinamarca
Coagrosur	Juan Carlos Vargas Soler Gerente	T. 569 7058 ❖ Santa Rosa del Sur - Bolívar
Servimcoop	❖ Maria Trinidad Montero Gerente General	❖ T. (1) 7279151 M. 313 8718053 gerencia@servimcoop.com

ANNEX 3: FI SELECTED FOR MARKET STUDY - METHODOLOGY

FINANCIAL INTERMEDIARY	MAIN OFFICE	DCA PRESENTATION	SURVEY	INTERVIEW	FIELD VISIT	RESEARCH
Commercial Banks						
1 Bancamía	Bogotá	1		M		1
2 Banco Coopcentral	Bogotá	1		M		
3 Banco de Bogotá	Bogotá	1		M		1
4 Banco WWB	Cali		1	CC		1
5 Bancolombia	Medellín	1	1	M		1
6 Citibank	Bogotá			CC		
7 Davivienda	Bogotá	1		M		1
8 Finamérica	Bogotá	1	1			1
9 Procredit	Bogotá					1
Microfinance NGOs						
10 Fundación de la Mujer	Bucaramanga	1	1			1
11 Fundación Mundo Mujer	Popayán	1	1	M		1
12 Contactar	Pasto	1	1	M		1
13 Interactuar	Medellín	1	1	M		1
14 Microcrédito Aval	Bogotá	1	1			
15 Fundación El Alcaraván	Arauca (Arauca)	1	1			1
Other						
16 Eclof	Bogotá	1	1			
Credit Unions						
17 Cofincafé	Armenia (Quindío)	1	1			1
18 Cofinal	Pasto	1	1			
19 Comerciacoop	Chiquinquirá (Boyacá)	1	1			
20 Congente	Villavicencio (Meta)	1	1			1
21 Coocreafam	Medellín	1	1	M	1	1
22 Coofisam	Garzón (Huila)	1	1	M	1	1
23 Coomuldesa	Socorro (Santander)	1	1			
24 Cooptenjo	Tenjo (Cundinamarca)	1	1			1
25 Cootrapeldar	Zipaquirá (Cundinamarca)	1	1			
26 Financiera Coagrosur	Santa Rosa del Sur (Bolívar)	1	1			1
27 Financiera Comultrasan	Bucaramanga	1	1			1
28 Microempresas de Colombia	Medellín	1	1	M	1	1
29 Servimcoop	Mogotes (Santander)	1	1			
Total		26	23	13	3	20

M Meeting

CC Conference Call

FINANCIAL INTERMEDIARIES REJECTED	MAIN OFFICE	REASON
1 Banco Agrario	Bogotá	Public Bank. USAID is interested in forging alliances with private FI.
2 Edyficar (Encumbra)	Medellín	Only attends urban clients and started operations in March/2014.
3 Fincomercio	Bogotá	Only attends urban clients and only provides consumption loans.
4 Fundación Coomeva	Bogotá	Only attends urban clients, members of Coomeva.
5 Actuar Tolima	Ibague (Tolima)	Survey incomplete. Did not want to complete the survey.

ANNEX 4: SURVEY



ENCUESTA ENTIDADES FINANCIERAS

USAID está desarrollando un estudio de mercado con el fin de conocer el interés y dificultades que tienen las entidades financieras para ofrecer servicios financieros en el sector rural; así como para conocer la opinión de las entidades financieras sobre cómo una alianza con USAID podría facilitar dicha expansión. Por esta razón, agradecemos de antemano su tiempo en contestar las preguntas a continuación.

ENTIDAD FINANCIERA	
NOMBRE	
CARGO	
FECHA	
E-MAIL	
TELÉFONO	
CIUDAD	

Tipo de Entidad

BANCO

COMPañIA FINANCIAMIENTO

COOPERATIVA FINANCIERA

COOPERATIVA DE AHORRO Y CRÉDITO

ONG MICROFINANCIERA

OTRO

¿Cuál? _____

I. GENERALIDADES	
AÑOS DE OPERACIÓN	<input type="text"/>
COBERTURA GEOGRÁFICA	
# DEPARTAMENTOS	<input type="text"/>
# MUNICIPIOS	<input type="text"/>
CANALES	
# SUCURSALES	<input type="text"/>
# CORRESPONSALES BANCARIOS	<input type="text"/>
# CAJEROS AUTOMÁTICOS	<input type="text"/>
# OTROS	<input type="text"/>
¿Cuáles?	_____
# ASOCIADOS (31/DIC/2013)*	<input type="text"/> *Sólo para cooperativas
La entidad cobra comisión mipyme	SI <input type="checkbox"/> NO <input type="checkbox"/>

II. CARTERA		31-dic-13
TOTAL		
CLIENTES		<input type="text"/>
CARTERA VIGENTE (\$ millones)		<input type="text"/>
CARTERA EN MORA (> 30 días)		<input type="text"/>
MICROCRÉDITO		
CLIENTES		<input type="text"/>
CARTERA VIGENTE (\$ millones)		<input type="text"/>
CARTERA EN MORA (> 30 días)		<input type="text"/>
VALOR CRÉDITO PROMEDIO		<input type="text"/>
PLAZO PROMEDIO		<input type="text"/>
TASA INTERES EA PROMEDIO		<input type="text"/>
MICROCRÉDITO AGROPECUARIO (Si aplica)		
CLIENTES		<input type="text"/>
CARTERA VIGENTE (\$ millones)		<input type="text"/>
CARTERA EN MORA (> 30 días)		<input type="text"/>
VALOR CRÉDITO PROMEDIO		<input type="text"/>
PLAZO PROMEDIO		<input type="text"/>
TASA INTERES EA PROMEDIO		<input type="text"/>

III. PRODUCTOS			
CRÉDITO	Marque los que apliquen	SEGUROS	Marque los que apliquen
CONSUMO	<input type="checkbox"/>	SEGURO DE VIDA	<input type="checkbox"/>
COMERCIAL	<input type="checkbox"/>	MICROSEGURO DE VIDA	<input type="checkbox"/>
VIVIENDA	<input type="checkbox"/>	SEGUROS GENERALES	<input type="checkbox"/>
AGROPECUARIO	<input type="checkbox"/>	SEGURO DE MICROEMPRESA	<input type="checkbox"/>
MICROCRÉDITO	<input type="checkbox"/>	OTROS	<input type="checkbox"/>
MICROCRÉDITO AGROPECUARIO	<input type="checkbox"/>	¿Cuáles?	_____
BANCA COMUNAL	<input type="checkbox"/>	TRANSFERENCIAS	
OTROS	<input type="checkbox"/> ¿Cuáles? _____	GIROS	<input type="checkbox"/>
DEPÓSITOS		REMESAS	<input type="checkbox"/>
CUENTA DE AHORRO	<input type="checkbox"/>	OTROS	<input type="checkbox"/>
CUENTA CORRIENTE	<input type="checkbox"/>	¿Cuáles?	_____
CDTS	<input type="checkbox"/>	SERVICIOS NO FINANCIEROS	
CUENTA ELECTRÓNICA	<input type="checkbox"/> ¿Cuál? _____	¿Cuáles?	_____
OTROS (AHORRO A PLAZO)	<input type="checkbox"/> ¿Cuáles? _____		

IV. MERCADO OBJETIVO			
¿Cuales son los segmentos de mercado objetivo de su entidad? Por favor ordénelos de más importante a menos importante, donde 1 es el más importante:			
Microempresa (AT < \$308M)	<input type="text"/>	Pequeños productores agropecuarios (AT < \$89.3M)	<input type="text"/>
Pequeña empresa (\$308M ≤ AT ≤ \$3,080M)	<input type="text"/>	Medianos productores agropecuarios (\$89.3M ≤ AT ≤ \$3,080M)	<input type="text"/>
Mediana empresa (\$3,080M ≤ AT ≤ \$18,480M)	<input type="text"/>	Grandes productores agropecuarios (AT > \$3,080M)	<input type="text"/>
Gran empresa (AT > \$18,480M)	<input type="text"/>	Cadenas productivas	<input type="text"/>
Microempresarios rurales no agrop (AT < \$308M)	<input type="text"/>	Población vulnerable/extrema pobreza	<input type="text"/>
Microproductores agropecuarios (metod. microcrédito)	<input type="text"/>	Otros	<input type="text"/>
		¿Cuál?	_____



V. SECTOR RURAL

¿Su entidad presta servicios por fuera de las cabeceras municipales? SI NO

¿Cuáles?

 ¿Cuáles?

¿Qué actividades del sector rural atiende su entidad?

Rurales no agropecuarias	
Pequeños Productores	
Cadenas Productivas	
Proveedores de Insumos	
Transporte	
Otras	
¿Cuáles?	

VI. FINANCIAMIENTO AGROPECUARIO

¿Cuáles son las principales dificultades que tiene su entidad para otorgar créditos en el sector agropecuario? Por favor escoja las 5 principales ordenándolas de mayor dificultad a menor dificultad, donde 1 es la mayor dificultad:

Ausencia/baja cobertura en áreas rurales	
Falta de experiencia en la atención al sector agrícola	
Riesgo propios del sector agrícola (precios, clima)	
Falta de conocimiento sobre el producto/sector específico (ciclos, rendimientos, etc.)	
Falta de conocimiento sobre cómo evaluar el riesgo de actividades agrícolas	
Infraestructura inadecuada (electricidad, vías terciarias, internet)	
Problemas de seguridad (grupos ilegales, manejo efectivo)	
Falta de conocimientos financieros por parte de los clientes	
¿Cuáles?	

Falta de garantías	
Riesgo de no pago	
Altos costos operativos (asesores, tecnología)	
Dificultad para acceder a los clientes	
Barreras Regulatorias	
¿Cuáles?	
Otros	
¿Cuáles?	

¿Cuáles de los siguientes le facilitarían a su entidad ofrecer/expandir los servicios financieros en el sector rural? Por favor escoja las 5 principales ordenándolas de más importante a menos importante, donde 1 es el que más le facilitaría:

Mayor disponibilidad de Fondo	
Cofinanciación de la expansión de la cobertura (corresponsales, banca móvil)	
Reducción de costos con tecnología (Ej. Consulta insitu de central de riesgos)	
Asistencia técnica para aprender a evaluar el riesgo agropecuario	
Asistencia técnica para diseñar productos adecuados	
Asistencia técnica a los productores en mejores prácticas agropecuarias	
Otros	
¿Cuáles?	

Garantía de Crédito	
Garantías Muebles admisibles (Ej. inventarios)	
Seguros agropecuarios	
Asegurar fuente de Pago	
Facilitar el acceso a clientes potenciales	
Fortalecimiento de cadenas productivas	
Educación Financiera a los clientes	

VII. INTERÉS EN ALIANZA ESTRATÉGICA

¿Estaría su entidad interesada en hacer una alianza con USAID para expandir la oferta de servicios financieros en el sector rural? SI NO

Si su respuesta fue SI, qué productos/servicios le gustaría ofrecer/expandir en una alianza? Escoja los 3 más importantes, en orden de prioridad donde 1 es el más importante:

Sucursales	
Corresponsales Bancarios	
Banca Móvil	
Microahorros	
Microseguros	
Giros/Transferencias	
Microcrédito agropecuario	
¿Cuáles?	

Microleasing	
Factoring	
Financiamiento con Órdenes de Compra	
Financiamiento con Recibos de Almacenamiento	
Crédito solidario/banca comunal	
Otros	
¿Cuáles?	

Si USAID y su entidad conformaran una alianza ¿en qué áreas observa un mayor valor agregado de la contribución por parte de USAID y de su entidad? Escoja los 3 más importantes, por parte de cada uno, en orden de prioridad, donde 1 es el más importante:

Contribución por parte de USAID	
Garantía para facilitar la consecución de fondeo (DCA)	
Garantía para facilitar el otorgamiento de crédito (DCA)	
Garantía para facilitar el otorgamiento de crédito a cooperativas/ONGs (DCA)	
Cofinanciación de la expansión de la cobertura (corresponsales, banca móvil)	
Cofinanciación de la implementación de tecnología (PAMS, tabletas)	
Cofinanciación de un proyecto para crear ecosistemas de pagos (banca móvil)	
Acceso a mercado potencial	
Asistencia técnica en la implementación de metodologías de microcrédito	
Asistencia técnica en la evaluación del riesgo agropecuario	
Asistencia técnica en la implementación de garantías muebles	
Alianza integral: cadena productiva - entidad financiera - USAID	
¿Cuáles?	

Contribución por parte de la Entidad Financiera	
Costos Operativos adicionales (asesores, etc)	
Cofinanciación expansión cobertura	
Cofinanciación implementación tecnología	
Cofinanciación proyecto	
Programa Educación Financiera	
Otros	
¿Cuáles?	

ANNEX 5: GEOGRAPHIC COVERAGE AND INFRASTRUCTURE

Geographic Coverage and Infrastructure Banks & FC and Non Supervised MFI

GENERALITIES	Bancamía	B.Bogotá	B.WWB	Bancolombia	Davivienda	Procredit	Finamérica
YEARS OF OPERATION	29	143	33	130	42	6	26
GEOGRAPHIC COVERAGE							
# DEPARTMENTS	29	25	25	32	28	5	22
# MUNICIPALITIES	817	868	383	840	835	5	550
DISTRIBUTION CHANNELS							
# BRANCHES	181	689	122	1.086	577	17	78
# BANKING AGENTS	61	1.703	18	2.471	6.345	0	287
# ATMs	0	1.688	0	4.332	1.582	0	45
Mobile Banking	No	Yes	No	Yes	Yes	No	No
# ATTENTION/PAYMENT POINTS		50	5.000	0	0	0	0
# MOBILE ATTENTION POINTS	0	0	0	598	0	0	0

GENERALITIES	FMujer	FMM	Contactar	Interactuar	Eclof	M.Aval	El Alcaraván
YEARS OF OPERATION	28	28	23	30	28	4	30
GEOGRAPHIC COVERAGE							
# DEPARTMENTS	29	25	3	4	2	1	2
# MUNICIPALITIES	734	477	78	90	25	5	6
DISTRIBUTION CHANNELS							
# BRANCHES	258	127	33	21	3	4	3
# BANKING AGENTS*	0	0	0	0	0	30.000	0
# ATMs	0	0	0	0	0	1.000	0
Mobile Banking	No	No	No	No	No	No	No
# ATTENTION/PAYMENT POINTS	744	19	0	0	0	0	0
# MOBILE ATTENTION POINTS	0	0	0	2	0	0	2

*Banking Agents reported by Microcrédito Aval belong to the AVAL Group and Microcredito Aval's clients can use them to make transactions.

Geographic Coverage and Infrastructure - Cooperatives

GENERALITIES	Cofincafé	Cofinal	Comerciacoop	Congente	Coocreatam	Coofisam	Coomuldesa
YEARS OF OPERATION	25	50	18	50	20	53	52
GEOGRAPHIC COVERAGE							
# DEPARTMENTS	4	3	1	2	5	1	2
# MUNICIPALITIES	7	12	20	9	8	15	20
DISTRIBUTION CHANNELS							
# BRANCHES	9	16	4	12	15	15	22
# BANKING AGENTS	0	0	0	0	0	0	0
# ATMs	0	0	0	4	2	1	4
Mobile Banking	No	No	No	No	No	No	No
# ATTENTION/PAYMENT POINTS	0	0	1	0	0	0	1
# MOBILE ATTENTION POINTS	0	0	0	0	0	0	0
# MEMBERS (31/DIC/2013)	20.101	38.500	7.714	41.230	40.209	50.864	100.709

GENERALITIES	Cooplenjo	Cootrapeldar	Coagrosur	Comultrasan	M.Colombia	Servimcoop
YEARS OF OPERATION	46	54	45	51	44	58
GEOGRAPHIC COVERAGE						
# DEPARTMENTS	1	1	1	6	1	2
# MUNICIPALITIES	16	7	3	38	113	8
DISTRIBUTION CHANNELS						
# BRANCHES	17	1	3	45	18	8
# BANKING AGENTS	0	0	0	0	32	0
# ATMs	6	0	0	24	0	2
Mobile Banking	No	No	No	No	No	No
# ATTENTION/PAYMENT POINTS	0	0	0	6.000	9	0
# MOBILE ATTENTION POINTS	0	0	0	0	54	0
# MEMBERS (31/DIC/2013)	68.035	8.665	10.270	347.783	38.582	16.867

ANNEX 6: PRODUCTS

Products - Banks & FC

PRODUCTS	Bancamía	B.Bogotá	B.WWB	Bancolombia	Davivienda	Procredit	Finamérica
LOANS							
CONSUMER LOANS		1	1	1	1	1	
COMMERCIAL LOANS		1	1	1	1	1	
MORTGAGES		1		1	1		
AGRICULTURAL LOANS		1		1	1		
MICROCREDIT	1	1	1	1	1	1	1
MICRO AGRI LOANS	1						1
VILLAGE BANKING							1
GROUP-BASED LOANS							
DEPOSITS							
SAVINGS ACCOUNT	1	1	1	1	1	1	1
CHECKING ACCOUNT		1		1	1	1	
TERM DEPOSITS	1	1	1	1	1		1
ELECTRONIC ACCOUNT		1		1	1		
TERM SAVINGS ACCOUNT		1		1	1		
INSURANCE PRODUCTS							
LIFE INSURANCE		1	1	1	1		1
LIFE MICROINSURANCE	1		1				1
GENERAL INSURANCE		1	1	1	1		
MICROENTERPRISE INSURANCE							1
CARS, FUNERAL, CAR ACCIDENTS							
OTHER							
TRANSFERS	1	1		1	1		
REMITTANCES		1		1	1		

Products - Non Supervised MFI

PRODUCTS	FMujer	FMM	Contactar	Interactuar	Eclof	M.Aval	El Alcaraván
LOANS							
CONSUMER LOANS		1	1				
COMMERCIAL LOANS		1	1				
MORTGAGES							
AGRICULTURAL LOANS			1		1		
MICROCREDIT	1	1	1	1	1		1
MICRO AGRI LOANS	1	1	1	1	1		
VILLAGE BANKING	1		1				
GROUP-BASED LOANS			1			1	
DEPOSITS							
SAVINGS ACCOUNT							
CHECKING ACCOUNT							
TERM DEPOSITS							
ELECTRONIC ACCOUNT						1	
TERM SAVINGS ACCOUNT							
INSURANCE PRODUCTS							
LIFE INSURANCE			1				
LIFE MICROINSURANCE	1	1	1	1		1	1
GENERAL INSURANCE			1				
MICROENTERPRISE INSURANCE	1		1	1			
CARS, FUNERAL, CAR ACCIDENTS							
OTHER							
TRANSFERS		1					
REMITTANCES							
NATIONAL DEPOSITS							

Microcrédito AVAL's clients can save in "Transfer", the E-Savings account of AVAL Group's FI AV Villas.

Products – Cooperatives

PRODUCTS	Cofincafé	Cofinal	Comerciacoo	Congente	Coocreatam	Coofisam	Coomuldesa
LOANS							
CONSUMER LOANS	1	1	1	1	1	1	1
COMMERCIAL LOANS	1	1	1	1	1	1	1
MORTGAGES		1		1	1	1	
AGRICULTURAL LOANS					1	1	1
MICROCREDIT	1	1	1	1	1	1	
MICRO AGRI LOANS						1	
VILLAGE BANKING							
GROUP-BASED LOANS							
DEPOSITS							
SAVINGS ACCOUNT	1	1	1	1	1	1	1
CHECKING ACCOUNT				1			
TERM DEPOSITS	1	1	1	1	1	1	1
ELECTRONIC ACCOUNT							
TERM SAVINGS ACCOUNT	1	1	1	1	1	1	1
INSURANCE PRODUCTS							
LIFE INSURANCE		1	1	1	1	1	1
LIFE MICROINSURANCE					1		1
GENERAL INSURANCE		1			1	1	1
MICROENTERPRISE INSURANCE CARS, FUNERAL, CAR ACCIDENTS				1		1	
OTHER							
TRANSFERS	1	1	1	1	1	1	1
REMITTANCES							1
NATIONAL DEPOSITS							

PRODUCTS	Cooptenjo	Cootrapeldar	Coagrosur	Comultrasan	M.Colombia	Servimcoop
LOANS						
CONSUMER LOANS	1	1	1	1		1
COMMERCIAL LOANS	1	1	1	1		1
MORTGAGES	1	1		1		
AGRICULTURAL LOANS			1	1		1
MICROCREDIT	1			1	1	1
MICRO AGRI LOANS				1		
VILLAGE BANKING				1		
GROUP-BASED LOANS						
DEPOSITS						
SAVINGS ACCOUNT	1	1	1	1	1	1
CHECKING ACCOUNT				1		
TERM DEPOSITS	1	1	1	1	1	1
ELECTRONIC ACCOUNT						
TERM SAVINGS ACCOUNT	1	1	1	1	1	1
INSURANCE PRODUCTS						
LIFE INSURANCE	1	1	1	1	1	1
LIFE MICROINSURANCE	1			1	1	
GENERAL INSURANCE	1					
MICROENTERPRISE INSURANCE CARS, FUNERAL, CAR ACCIDENTS					1	
OTHER						
TRANSFERS		1	1			
REMITTANCES						
NATIONAL DEPOSITS						1

ANNEX 7: TARGET MARKETS

Target Markets Banks & FC and Non Supervised MFI

TARGET MARKETS	Bancamía	B.Bogotá	B.WWB	Bancolombia	Davivienda	Procredit	Finamérica
Microenterprise (TA < US \$158K)	1		1			3	1
Small Company (US \$158K ≤ TA ≤ US \$1.6M)	4	5	2	4	4	2	
Medium Company (US \$1.6M ≤ TA ≤ US \$9.5M)		3	3	2	3	1	
Big Company (TA > US \$9.5M)		1	6	1	2		
Rural Micro entrepreneurs (TA < US \$158K)	2		4				2
Subsistence farmers (Microcredit Methodology)	3		5				4
Small-scale Farmers (TA < US \$46K)	5						3
Emergent Farmers (US \$46K ≤ TA ≤ US \$1.6M)							
Commercial Farmers (TA > US \$1.6M)		6		6	5		
Value Chains							
Vulnerable populations/extreme poverty							5
Individual Customers		4		5	1	4	
Governmental and Institutional Banking		2		3			

TARGET MARKETS	FMujer	FMM	Contactar	Interactuar	Eclof	M.Aval	El Alcaraván
Microenterprise (TA < US \$158K)	1	1	1	1	1	1	1
Small Company (US \$158K ≤ TA ≤ US \$1.6M)		5	6				
Medium Company (US \$1.6M ≤ TA ≤ US \$9.5M)							
Big Company (TA > US \$9.5M)							
Rural Micro entrepreneurs (TA < US \$158K)	2	4	3		2	2	2
Subsistence farmers (Microcredit Methodology)	3	2	2	2	3	3	3
Small-scale Farmers (TA < US \$46K)	4	3	5	4		4	4
Emergent Farmers (US \$46K ≤ TA ≤ US \$1.6M)							
Commercial Farmers (TA > US \$1.6M)							
Value Chains	5		7				5
Vulnerable populations/extreme poverty	6		4	3		5	
Individual Customers							
Governmental and Institutional Banking							

Target Markets Cooperatives

TARGET MARKETS	Cofincafé	Cofinal	Comerciacoop	Congente	Coocreafam	Coofisam
Microenterprise (TA < US \$158K)	1	2	1	2	3	4
Small Company (US \$158K ≤ TA ≤ US \$1.6M)	2	1		1	4	1
Medium Company (US \$1.6M ≤ TA ≤ US \$9.5M)	3			4		
Big Company (TA > US \$9.5M)						
Rural Micro entrepreneurs (TA < US \$158K)	4			3	5	2
Subsistence farmers (Microcredit Methodology)			2			3
Small-scale Farmers (TA < US \$46K)	5	3	3	6	1	5
Emergent Farmers (US \$46K ≤ TA ≤ US \$1.6M)					6	
Commercial Farmers (TA > US \$1.6M)						
Value Chains				5		
Vulnerable populations/extreme poverty		4			2	
Individual Customers						
Governmental and Institutional Banking						

Coomuldesa did not answer this section of the survey

TARGET MARKETS	Cooptenjo	Cootrapeldar	Coagrosur	Comultrasan	M.Colombia	Servimcoop
Microenterprise (TA < US \$158K)	2	1	1	1	1	2
Small Company (US \$158K ≤ TA ≤ US \$1.6M)	3	2	6	2	2	
Medium Company (US \$1.6M ≤ TA ≤ US \$9.5M)		3		7		
Big Company (TA > US \$9.5M)						
Rural Micro entrepreneurs (TA < US \$158K)	4		4	3	3	
Subsistence farmers (Microcredit Methodology)	5		5	4	4	
Small-scale Farmers (TA < US \$46K)			2	5	5	3
Emergent Farmers (US \$46K ≤ TA ≤ US \$1.6M)					6	
Commercial Farmers (TA > US \$1.6M)						
Value Chains						
Vulnerable populations/extreme poverty			3	6	7	
Individual Customers	1					1
Governmental and Institutional Banking						

ANNEX 8: PROVISION OF FINANCIAL SERVICES IN RURAL AREAS

Provision of Financial Services in Rural Areas - Banks & FC; Non Supervised MFI

RURAL AREAS	Bancamía	B.Bogotá	B.WWB	Bancolombia	Davivienda	Procredit	Finamérica
¿Does your entity provide financial services outside urban areas?	Yes	Yes	Yes	Yes	Yes	No	Yes
¿Which Ones?							
Loans	1	1	1	1	1	NA	1
Savings	1	1	1	1	1	NA	1
Insurance	1	1	1	1	1	NA	1
Transfers/Remittances	1	1		1	1	NA	
National Deposits						NA	

¿Which activities in rural areas does your entity attend?							
Rural activities (commercial/services)	1		1	1		NA	1
Small-scale farmers	1		1	1		NA	1
Productive Chains						NA	
Agricultural input suppliers		1		1	1	NA	
Commercial Farmers		1		1	1	NA	
Transport		1		1	1	NA	

RURAL AREAS	FMujer	FMM	Contactar	Interactuar	Eclof	M.Aval	El Alcaraván
¿Does your entity provide financial services outside urban areas?	Yes	Yes	Yes	Yes	Yes	Yes	Yes
¿Which Ones?							
Loans	1	1	1	1	1	1	1
Savings						1	
Insurance	1	1	1			1	
Transfers/Remittances							
National Deposits							

¿Which activities in rural areas does your entity attend?							
Rural activities (commercial/services)	1	1	1	1	1	1	
Small-scale farmers	1	1	1	1	1	1	1
Productive Chains			1				1
Agricultural input suppliers	1		1	1		1	
Commercial Farmers							
Transport	1	1	1	1		1	

NA: Not Applicable

Provision of Financial Services in Rural Areas – Cooperatives

RURAL AREAS	Cofincafé	Cofinal	Comerciacoop	Congente	Coocreatam	Coofisam	Coomuldesa
¿Does your entity provide financial services outside urban areas?	Yes	Yes	Yes	Yes	Yes	Yes	Yes
¿Which Ones?							
Loans		1	1	1	1	1	1
Savings	1	1	1	1	1	1	1
Insurance		1	1	1	1	1	1
Transfers/Remittances			1	1			1
National Deposits							
¿Which activities in rural areas does your entity attend?							
Rural activities (commercial/services)	1			1	1	1	1
Small-scale farmers	1	1	1	1	1	1	1
Productive Chains	1			1	1	1	1
Agricultural input suppliers				1		1	1
Commercial Farmers							
Transport	1			1		1	
RURAL AREAS	Cooptenjo	Cootrapeldar	Coagrosur	Comultrasan	M.Colombia	Servimcoop	
¿Does your entity provide financial services outside urban areas?	Yes	No	Yes	Yes	Yes	Yes	
¿Which Ones?							
Loans	1	NA	1	1	1	1	
Savings	1	NA	1	1	1	1	
Insurance	1	NA	1	1			
Transfers/Remittances		NA	1	1			
National Deposits		NA				1	
¿Which activities in rural areas does your entity attend?							
Rural activities (commercial/services)	1	NA		1	1		
Small-scale farmers	1	NA	1	1	1	1	
Productive Chains	1	NA					
Agricultural input suppliers	1	NA	1				
Commercial Farmers		NA					
Transport	1	NA	1				

NA: Not Applicable

ANNEX 9: PORTFOLIO

Portfolio - Banks & FC and Non Supervised MFI

PORTFOLIO	Bancamía	B.Bogotá	B.WWB	Bancolombia	Davivienda	Procredit	Finamérica
TOTAL PORTFOLIO							
#TOTAL CLIENTS	393.404	6.000.000	213.559	7.321.712	5.792.000	7.575	93.674
CURRENT PORTFOLIO (USD \$000)	\$527.133	\$17.692.308	\$319.775	\$29.262.719	\$16.717.949	\$91.831	\$290.116
PAR30 (USD \$000)	\$28.526	\$406.923	\$15.591	\$812.463	\$585.128	ND	\$24.836
PAR30 (%)	5,4%	2,3%	4,9%	2,8%	3,5%	ND	8,6%
MICROCREDIT PORTFOLIO							
# MICROCREDIT CLIENTS	386.768	50.000	210.852	50.818	ND	1.348	83.208
CURRENT PORTFOLIO (USD \$000)	\$527.133	\$28.205	\$290.411	\$200.671	ND	\$21.052	\$191.036
PAR30 (USD \$000)	\$28.526	\$1.590	\$14.310	\$19.893	ND	ND	\$17.731
PAR30 (%)	5,4%	5,6%	4,9%	9,9%	ND	ND	9,3%
AVERAGE AMOUNT OF CREDIT (USD)	\$1.462	\$1.436	\$1.086	\$2.564	ND	\$15.616	\$2.205
AVERAGE TERM (Months)	0	0	19	24	ND	0	25
ANNUAL EFFECTIVE INTEREST RATE	ND	ND	37,4%	29,0%	ND	27,0%	36,0%
MICRO AGRI LOANS							
# MICRO AGRI LOAN CLIENTS	63.802	NA	NA	NA	NA	NA	15.867
CURRENT PORTFOLIO (USD \$000)	\$74.526	NA	NA	NA	NA	NA	\$23.702
PAR30 (USD \$000)	\$4.114	NA	NA	NA	NA	NA	\$3.545
PAR30 (%)	5,5%	NA	NA	NA	NA	NA	15,0%
AVERAGE AMOUNT OF CREDIT	\$1.462	NA	NA	NA	NA	NA	\$1.436
AVERAGE TERM (Months)	11	NA	NA	NA	NA	NA	23
ANNUAL EFFECTIVE INTEREST RATE	36,0%	NA	NA	NA	NA	NA	38,0%
MSME COMISSION	Yes	ND	Yes	Yes	ND	ND	Yes

PORTFOLIO	FMujer	FMM	Contactar	Interactuar	Eclof	M.Aval	El Alcaraván
TOTAL PORTFOLIO							
#TOTAL CLIENTS	347.443	493.227	66.386	31.861	1.400	6.000	2.422
CURRENT PORTFOLIO (USD \$000)	\$303.077	\$477.953	\$58.905	\$53.406	\$1.846	\$2.256	\$3.639
PAR30 (USD \$000)	\$13.032	\$11.713	\$956	\$2.256	\$65	\$113	\$99
PAR30 (%)	4,3%	2,5%	1,6%	4,2%	3,5%	5,0%	2,7%
MICROCREDIT PORTFOLIO							
# MICROCREDIT CLIENTS	347.443	383.331	64.285	31.861	950	6.000	2.422
CURRENT PORTFOLIO (USD \$000)	\$269.231	\$364.958	\$52.942	\$53.406	\$1.462	\$2.256	\$3.639
PAR30 (USD \$000)	\$11.577	\$9.443	\$932	\$2.256	\$44	\$113	\$99
PAR30 (%)	4,3%	2,6%	1,8%	4,2%	3,0%	5,0%	2,7%
AVERAGE AMOUNT OF CREDIT (USD)	\$662	\$1.026	\$1.078	\$1.831	\$1.333	\$503	\$1.949
AVERAGE TERM (Months)	16	17	16	20	ND	ND	18
ANNUAL EFFECTIVE INTEREST RATE	48,8%	40,1%	40,8%	37,1%	ND	36,0%	38,9%
MICRO AGRI LOANS							
# MICRO AGRI LOAN CLIENTS	49.500	89.691	39.493	2.659	450	NA	NA
CURRENT PORTFOLIO (USD \$000)	\$38.077	\$70.629	\$30.464	\$3.334	\$385	NA	NA
PAR30 (USD \$000)	\$1.637	\$1.653	\$537	\$170	\$23	NA	NA
PAR30 (%)	4,3%	2,3%	1,8%	5,1%	6,0%	NA	NA
AVERAGE AMOUNT OF CREDIT	\$723	\$1.026	\$1.044	\$1.254	\$0	NA	NA
AVERAGE TERM (Months)	16	15	16	24	0	NA	NA
ANNUAL EFFECTIVE INTEREST RATE	50,8%	40,7%	40,9%	37,1%	0,0%	NA	NA
MSME COMISSION	Yes	Yes	No	Yes	0	No	No

EXCHANGE RATE (COL \$/US \$1)

\$1,950

Portfolio - Cooperatives

PORTFOLIO	Cofincafé	Cofinal	Comerciacoop	Congente	Coocreatam	Coofisam	Coomuldesa
TOTAL PORTFOLIO							
#TOTAL CLIENTS	9.913	7.054	2.300	41.230	7.375	50.864	98.000
CURRENT PORTFOLIO (USD \$000)	\$20.111	\$20.821	\$6.391	\$31.145	\$31.735	\$30.497	\$91.795
PAR30 (USD \$000)	\$481	\$1.220	\$255	\$1.587	\$641	\$680	\$4.615
PAR30 (%)	2,4%	5,9%	4,0%	5,1%	2,0%	2,2%	5,0%
MICROCREDIT PORTFOLIO							
# MICROCREDIT CLIENTS	2.161	2.290	1.200	1.099	1.251	4.988	3.000
CURRENT PORTFOLIO (USD \$000)	\$2.421	\$1.349	\$1.538	\$1.172	\$2.249	\$8.904	\$3.077
PAR30 (USD \$000)	\$69	\$127	\$92	\$70	\$111	\$44	\$154
PAR30 (%)	2,8%	9,4%	6,0%	6,0%	4,9%	0,5%	5,0%
AVERAGE AMOUNT OF CREDIT (USD)	\$1.026	\$843	\$1.434	\$1.066	\$1.795	\$2.051	ND
AVERAGE TERM (Months)	36	16	16	26	36	36	ND
ANNUAL EFFECTIVE INTEREST RATE	34,5%	32,0%	45,9%	36,4%	25,3%	25,6%	ND
MICRO AGRI LOANS							
# MICRO AGRI LOAN CLIENTS	NA	NA	NA	NA	NA	3.553	NA
CURRENT PORTFOLIO (USD \$000)	NA	NA	NA	NA	NA	\$6.140	NA
PAR30 (USD \$000)	NA	NA	NA	NA	NA	\$20	NA
PAR30 (%)	NA	NA	NA	NA	NA	0,3%	NA
AVERAGE AMOUNT OF CREDIT	NA	NA	NA	NA	NA	\$1.795	NA
AVERAGE TERM (Months)	NA	NA	NA	NA	NA	24	NA
ANNUAL EFFECTIVE INTEREST RATE	NA	NA	NA	NA	NA	20,8%	NA
MSME COMMISSION	Yes	0	No	Yes	No	Yes	0

PORTFOLIO	Cooptenjo	Cootrapeldar	Coagrosur	Comultrasan	M.Colombia	Servimcoop
TOTAL PORTFOLIO						
#TOTAL CLIENTS	68.035	7.800	10.274	97.999	20.529	5.109
CURRENT PORTFOLIO (USD \$000)	\$35.566	\$20.000	\$8.718	\$397.859	\$30.648	\$15.225
PAR30 (USD \$000)	\$2.173	\$308	\$231	\$13.679	\$1.212	\$722
PAR30 (%)	6,1%	1,5%	2,6%	3,4%	4,0%	4,7%
MICROCREDIT PORTFOLIO						
# MICROCREDIT CLIENTS	378	NA	NA	23.212	19.992	1.604
CURRENT PORTFOLIO (USD \$000)	\$1.033	NA	NA	\$27.524	\$28.239	\$3.961
PAR30 (USD \$000)	\$145	NA	NA	\$670	\$1.143	\$315
PAR30 (%)	14,0%	NA	NA	2,4%	4,0%	8,0%
AVERAGE AMOUNT OF CREDIT (USD)	\$1.282	NA	NA	\$1.696	\$1.863	\$2.821
AVERAGE TERM (Months)	36	NA	NA	22	36	36
ANNUAL EFFECTIVE INTEREST RATE	39,3%	NA	NA	34,9%	28,6%	25,0%
MICRO AGRI LOANS						
# MICRO AGRI LOAN CLIENTS	NA	NA	NA	1.700	NA	NA
CURRENT PORTFOLIO (USD \$000)	NA	NA	NA	\$1.870	NA	NA
PAR30 (USD \$000)	NA	NA	NA	\$36	NA	NA
PAR30 (%)	NA	NA	NA	1,9%	NA	NA
AVERAGE AMOUNT OF CREDIT	NA	NA	NA	\$1.282	NA	NA
AVERAGE TERM (Months)	NA	NA	NA	23	NA	NA
ANNUAL EFFECTIVE INTEREST RATE	NA	NA	NA	42,6%	NA	NA
MSME COMMISSION	Yes	NA	NA	Yes	Yes	No

EXCHANGE RATE (COL \$/US \$1)

\$1,950

ANNEX 10: AGRICULTURE FINANCING – MAIN DIFFICULTIES

Main Difficulties - Banks & FC and Non Supervised MFI

Main Difficulties	Bancamía	B.Bogotá	B.WWB	Bancolombía	Davivienda	Procredit	Finamérica
None/low coverage in rural areas		1	5				5
Lack of experience in providing financial services to the agricultural sector			2				
Systemic risks of agriculture (weather, price)	1			1			4
Lack of agricultural technical know-how (crop cycles and yields, etc.)			3	2			
Lack of knowledge in the assessment of agricultural risks			4				
Poor infrastructure (erratic electricity, bad roads, lack of communication systems)	5						
Insecurity (illegal armed groups, risk of cash management)							3
Low financial literacy rates among small farmers				3			
Limited collateral	4		1	4			2
Default risk	3						1
High credit worthiness assessment costs (loan advisors, technology)	2	3		5			
Difficulty to identify bankable opportunities in the agricultural space		2					
Regulatory Bottlenecks							
Lack of funds							
Over indebtedness							
Government interventions (interest rate subsidies, loan forgiveness, etc.)							

Main Difficulties	FMujer	FMM	Contactar	Interactuar	Eclof	M.Aval	El Alcaraván
None/low coverage in rural areas		5	3		1		
Lack of experience in providing financial services to the agricultural sector							3
Systemic risks of agriculture (weather, price)	5	1		3	2	2	4
Lack of agricultural technical know-how (crop cycles and yields, etc.)				4		4	
Lack of knowledge in the assessment of agricultural risks							5
Poor infrastructure (erratic electricity, bad roads, lack of communication systems)	3		1		5		
Insecurity (illegal armed groups, risk of cash management)	4		5	5		5	2
Low financial literacy rates among small farmers							
Limited collateral		3				1	1
Default risk							
High credit worthiness assessment costs (loan advisors, technology)	2	4	2	2	4	3	
Difficulty to identify bankable opportunities in the agricultural space	1	2	4	1	3		
Regulatory Bottlenecks							
Lack of funds							
Over indebtedness							
Government interventions (interest rate subsidies, loan forgiveness, etc.)							

Main Difficulties - Cooperatives

Main Difficulties	Cofincafé	Cofinal	Comerciacoop	Congente	Coocreatam	Coofisam	Coomuldesa
None/low coverage in rural areas							
Lack of experience in providing financial services to the agricultural sector	4		1	1	3		
Systemic risks of agriculture (weather, price)	3	1	3		5	4	1
Lack of agricultural technical know-how (crop cycles and yields, etc.)	2	2	2	4	1		
Lack of knowledge in the assessment of agricultural risks	1	3		2		5	2
Poor infrastructure (erratic electricity, bad roads, lack of communication systems)			4				
Insecurity (illegal armed groups, risk of cash management)	5	4					
Low financial literacy rates among small farmers					4		3
Limited collateral		5		3		1	
Default risk						3	4
High credit worthiness assessment costs (loan advisors, technology)			5	5	2	2	5
Difficulty to identify bankable opportunities in the agricultural space							
Regulatory Bottlenecks							
Lack of funds							
Over indebtedness							
Government interventions (interest rate subsidies, loan forgiveness, etc.)							

Main Difficulties	Cooptenjo	Cootrapel dai	Coagrosur	Comultrasan	M.Colombia	Servimcoop
None/low coverage in rural areas				5		
Lack of experience in providing financial services to the agricultural sector	3	1				
Systemic risks of agriculture (weather, price)		4		4	5	1
Lack of agricultural technical know-how (crop cycles and yields, etc.)	2	2			1	
Lack of knowledge in the assessment of agricultural risks	1					5
Poor infrastructure (erratic electricity, bad roads, lack of communication systems)			4			2
Insecurity (illegal armed groups, risk of cash management)			2			
Low financial literacy rates among small farmers		3			4	
Limited collateral				2	2	
Default risk	4		5			3
High credit worthiness assessment costs (loan advisors, technology)	5	5	3	3	3	
Difficulty to identify bankable opportunities in the agricultural space						
Regulatory Bottlenecks						
Lack of funds			1	1		
Over indebtedness						4
Government interventions (interest rate subsidies, loan forgiveness, etc.)						

ANNEX II: AGRICULTURE FINANCING – FACTORS TO FACILITATE

Factors that would facilitate agri financing - Banks & FC and Non Supervised MFI

Factors that would facilitate your institution to provide agri financing	Bancamía	B.Bogotá	B.WWB	Bancolombia	Davivienda	Procredit	Finamérica
Greater availability of funding							
Financing the expansion of infrastructure (banking agents, mobile banking)							
Reduction of transaction costs with technology (Ex. Tablets for loan advisors)	5						
Technical assistance on how to assess farmer credit risk				1			
Technical assistance to adopt an appropriate lending methodology			2				
Technical assistance to farmers in best agricultural practices	4		3	2			
Credit Guarantee	1		1	3			1
Movable assets as collateral							
Agricultural Insurance Products	2			5			
Mitigate repayment risk	3						4
Help financial institutions identify bankable opportunities in the agriculture space		2	4				2
Strengthen value chains		1	5	4			5
Improve farmer's financial literacy							3

Factors that would facilitate your institution to provide agri financing	FMujer	FMM	Contactar	Interactuar	Eclof	M.Aval	El Alcaraván
Greater availability of funding						3	
Financing the expansion of infrastructure (banking agents, mobile banking)		1	2	4			
Reduction of transaction costs with technology (Ex. Tablets for loan advisors)	1		1	2	4		
Technical assistance on how to assess farmer credit risk				5		4	3
Technical assistance to adopt an appropriate lending methodology				3	1	5	
Technical assistance to farmers in best agricultural practices	2	5	5				
Credit Guarantee		4				1	1
Movable assets as collateral							
Agricultural Insurance Products	4	2	3	1	2	2	2
Mitigate repayment risk							5
Help financial institutions identify bankable opportunities in the agriculture space					5		
Strengthen value chains	5	3	4		3		
Improve farmer's financial literacy	3						4

Factors that would facilitate agri financing - Cooperatives

Factors that would facilitate your institution to provide agri financing	Cofincafé	Cofinal	Comerciacoop	Congente	Coocreafam	Coofisam	Coomuldesa
Greater availability of funding	1			5		5	
Financing the expansion of infrastructure (banking agents, mobile banking)	3	2			1	3	
Reduction of transaction costs with technology (Ex. Tablets for loan advisors)				4	2	4	
Technical assistance on how to assess farmer credit risk	4	3	2	2		2	5
Technical assistance to adopt an appropriate lending methodology		4	3	3			4
Technical assistance to farmers in best agricultural practices					3		1
Credit Guarantee	2	1	1			1	
Movable assets as collateral							
Agricultural Insurance Products			4				3
Mitigate repayment risk				1			2
Help financial institutions identify bankable opportunities in the agriculture space							
Strengthen value chains					4		
Improve farmer's financial literacy	5	5	5		5		

Factors that would facilitate your institution to provide agri financing	Cooptenjo	Cootrapeldar	Coagrosur	Comultrasan	M.Colombia	Servimcoop
Greater availability of funding			1	1		
Financing the expansion of infrastructure (banking agents, mobile banking)	4		2	2	1	
Reduction of transaction costs with technology (Ex. Tablets for loan advisors)	5	4	3	5	2	
Technical assistance on how to assess farmer credit risk	1	1			3	1
Technical assistance to adopt an appropriate lending methodology		2				5
Technical assistance to farmers in best agricultural practices		3				
Credit Guarantee			5	3	4	
Movable assets as collateral	2			4		
Agricultural Insurance Products						2
Mitigate repayment risk	3		4			3
Help financial institutions identify bankable opportunities in the agriculture space					5	
Strengthen value chains						
Improve farmer's financial literacy		5				4

ANNEX 12: INTEREST IN AN STRATEGIC ALLIANCE

Interest and Products - Banks & FC and Non Supervised MFI

¿Would you institution be interested in forging an alliance with USAID for expanding financial services in rural areas?	Bancamía	B.Bogotá	B.WWB	Bancolombia	Davivienda	Procredit	Finamérica
	Yes	Yes	Yes	Yes	Yes		Yes

Products/services that your institution would like to offer/expand in an alliance

Branches							
Banking Agents		1					3
Mobile Banking				2			
Microsavings	2	3					
Microinsurance	3						
Transfers/Remittances							
Micro agri loans	1		1	1			1
Microleasing							
Factoring			2	3			
Purchase Order Financing	4						
Warehouse receipt financing	3						
Group lending/illage banking							2
Value chain financing		2					

¿Would you institution be interested in forging an alliance with USAID for expanding financial services in rural areas?	FMujer	FMM	Contactar	Interactuar	Eclof	M.Aval	El Alcaraván
	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Products/services that your institution would like to offer/expand in an alliance

Branches				3	3	3	
Banking Agents			2				
Mobile Banking	1	1		2		2	3
Microsavings	3	2					
Microinsurance			3		2		
Transfers/Remittances	2						
Micro agri loans				1	1	1	1
Microleasing							
Factoring							2
Purchase Order Financing							
Warehouse receipt financing							
Group lending/illage banking							
Value chain financing		3	1				

Interest and Products - Cooperatives

¿Would you institution be interested in forging an alliance with USAID for expanding financial services in rural areas?	Cofincafé	Cofinal	Comerciacoop	Congente	Coocreatam	Coofisam	Coomuldesa
	Yes	Yes	Yes	Yes	Yes	Yes	No

Products/services that your institution would like to offer/expand in an alliance

Branches		2	3				NA
Banking Agents		1				2	NA
Mobile Banking	1				1	3	NA
Microsavings	3		2	3			NA
Microinsurance							NA
Transfers/Remittances							NA
Micro agri loans	2	3	1	1	2	1	NA
Microleasing				2			NA
Factoring							NA
Purchase Order Financing							NA
Warehouse receipt financing							NA
Group lending/village banking					3		NA
Value chain financing							NA

¿Would you institution be interested in forging an alliance with USAID for expanding financial services in rural areas?	Cooptenjo	Cootrapeldar	Coagrosur	Comultrasan	M.Colombiana	Servimcoop
	Yes	Yes	Yes	Yes	Yes	Yes

Products/services that your institution would like to offer/expand in an alliance

Branches		3		1	1	
Banking Agents	2		3		2	2
Mobile Banking	1					1
Microsavings	3	1		2		3
Microinsurance						
Transfers/Remittances						
Micro agri loans		2	2	3		
Microleasing						
Factoring						
Purchase Order Financing						
Warehouse receipt financing						
Group lending/village banking					3	
Value chain financing						

ANNEX 13: KEY CONTRIBUTIONS TO THE ALLIANCE - USAID

Key Contributions from USAID - Banks & FC; Non Supervised MFI

USAID Contribution	Bancamía	B.Bogotá	B.WWB	Bancolombia	Davivienda	Procredit	Finamérica
Credit guarantee to facilitate fund raising (DCA - LG, PG, BG)							
Credit guarantee to reduce lending risk (DCA - LPG)			1	3			1
Credit guarantee to facilitate wholesale lending (DCA - LG)							
Co-finance the expansion of infrastructure (banking agents, mobile banking)	4						2
Co-finance the implementation of technology (PAMS, tablets)	2						
Co-finance a project to promote electronic payments				2			
Access to bankable opportunities in rural areas	3		2				
Technical assistance for developing appropriate lending products							
Technical assistance in the assessment of agricultural risks			3	1			3
Technical assistance in the implementation of movable assets as collateral							
Partnerships involving a network of partners: value chain, FI, USAID	1						

USAID Contribution	FMujer	FMM	Contactar	Interactuar	Eclof	M.Aval	El Alcaraván
Credit guarantee to facilitate fund raising (DCA - LG, PG, BG)					1		
Credit guarantee to reduce lending risk (DCA - LPG)	2	3			2	1	1
Credit guarantee to facilitate wholesale lending (DCA - LG)							
Co-finance the expansion of infrastructure (banking agents, mobile banking)		1	2	1			
Co-finance the implementation of technology (PAMS, tablets)			1			2	2
Co-finance a project to promote electronic payments	1					3	
Access to bankable opportunities in rural areas	3						
Technical assistance for developing appropriate lending products				2			
Technical assistance in the assessment of agricultural risks				3			3
Technical assistance in the implementation of movable assets as collateral							
Partnerships involving a network of partners: value chain, FI, USAID		2	3		3		

Key Contributions from USAID - Cooperatives

USAID Contribution	Cofincafé	Cofinal	Comerciacoop	Congente	Coocreafam	Coofisam	Coomuldesa
Credit guarantee to facilitate fund raising (DCA - LG, PG, BG)	1			3			NA
Credit guarantee to reduce lending risk (DCA - LPG)		1	1			1	NA
Credit guarantee to facilitate wholesale lending (DCA - LG)					1		NA
Co-finance the expansion of infrastructure (banking agents, mobile banking)	2	2	2			2	NA
Co-finance the implementation of technology (PAMS, tablets)		3			2	3	NA
Co-finance a project to promote electronic payments							NA
Access to bankable opportunities in rural areas	3						NA
Technical assistance for developing appropriate lending products			3	2			NA
Technical assistance in the assessment of agricultural risks					3		NA
Technical assistance in the implementation of movable assets as collateral				1			NA
Partnerships involving a network of partners: value chain, FI, USAID							NA

USAID Contribution	Cooptenjo	Cootrapeldar	Coagrosur	Comultrasan	M.Colombiana	Servimcoop
Credit guarantee to facilitate fund raising (DCA - LG, PG, BG)	1		1			
Credit guarantee to reduce lending risk (DCA - LPG)		2				
Credit guarantee to facilitate wholesale lending (DCA - LG)						
Co-finance the expansion of infrastructure (banking agents, mobile banking)	2		2	1	1	1
Co-finance the implementation of technology (PAMS, tablets)	3			3	2	
Co-finance a project to promote electronic payments			3	2	3	
Access to bankable opportunities in rural areas		3				
Technical assistance for developing appropriate lending products		1				2
Technical assistance in the assessment of agricultural risks						3
Technical assistance in the implementation of movable assets as collateral						
Partnerships involving a network of partners: value chain, FI, USAID						

ANNEX 14: KEY CONTRIBUTIONS TO THE ALLIANCE - FI

Banks & FC; Non Supervised MFI and Cooperatives

Financial Institution Contribution	Bancamía	B.Bogotá	B.WWB	Bancolombia	Davivienda	Procredit	Finamérica
Additional operating costs (agri loan advisors, etc)							
Co-finance the expansion of infrastructure (banking agents, mobile banking)	1		3	2			2
Co-finance the implementation of technology (PAMS, tablets)	2		2	3			
Co-finance a project to promote electronic payments	3		1				3
Financial literacy program				1			1

Financial Institution Contribution	FMujer	FMM	Contactar	Interactuar	Eclof	M.Aval	El Alcaraván
Additional operating costs (agri loan advisors, etc)		1		2	3		1
Co-finance the expansion of infrastructure (banking agents, mobile banking)		3	1		2	1	2
Co-finance the implementation of technology (PAMS, tablets)	1		2	3			
Co-finance a project to promote electronic payments	3			1		2	
Financial literacy program	2	2	3		1		3

Financial Institution Contribution	Cofincafé	Cofinal	Comerciacoop	Congente	Coocreatam	Coofisam	Coomuldesa
Additional operating costs (agri loan advisors, etc)		1		2		1	NA
Co-finance the expansion of infrastructure (banking agents, mobile banking)	2	2	1		1	2	NA
Co-finance the implementation of technology (PAMS, tablets)		3	3	3	2		NA
Co-finance a project to promote electronic payments	3						NA
Financial literacy program	1		2	1	3	3	NA

Financial Institution Contribution	Coopenjo	Cootrapeldar	Coagrosur	Comultrasan	M.Colombia	Servimcoop
Additional operating costs (agri loan advisors, etc)	3			1	3	3
Co-finance the expansion of infrastructure (banking agents, mobile banking)		3	1	3	1	
Co-finance the implementation of technology (PAMS, tablets)	2		2	2	2	
Co-finance a project to promote electronic payments		2				
Financial literacy program	1	1	3			2

ANNEX 15: RANKING OF INTEREST AND POTENTIAL - FI

Ranking of Interest and Potential Banks & FC; Non Supervised MFI

Interest in forging an alliance with USAID	Bancamía	B.Bogotá	B.WWB	Bancolombia	Davivienda	Procredit	Finamérica
Very high							
High		1		1	1		1
Indifferent	1		1				
Low							
None							
Alliance potential							
Very high	1						
High				1	1		1
Medium		1	1				
Low						1	
None							

Interest in forging an alliance with USAID	FMujer	FMM	Contactar	Interactuar	Eclof	M.Aval	El Alcaraván
Very high		1				1	1
High			1	1	1		
Indifferent							
Low	1						
None							
Alliance potential							
Very high		1					
High	1		1				
Medium				1			
Low					1	1	1
None							

Ranking of Interest and Potential Cooperatives

Interest in forging an alliance with USAID	Cofincafé	Cofinal	Comerciacoop	Congente	Coocreafam	Coofisam	Coomuldesa
Very high							
High					1	1	
Indifferent	1	1	1	1			
Low							
None							1
Alliance potential							
Very high							
High							
Medium							
Low	1	1	1	1	1	1	
None							1

Interest in forging an alliance with USAID	Cooptenjo	Cootrapeldar	Coagrosur	Comultrasan	M.Colombia	Servimcoop
Very high				1		
High					1	
Indifferent	1	1	1			1
Low						
None						
Alliance potential						
Very high						
High						
Medium				1	1	
Low	1	1	1			1
None						

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