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## FACT SHEET

# DEVELOPMENT CREDIT AUTHORITY

USAID's Development Credit Authority (DCA) supports access to financial services in underserved sectors such as commerce, tourism, agro-industry and energy efficiency to generate greater economic opportunities and jobs that deter illegal immigration.

Salvadoran Small and Medium Enterprises (SMEs) face difficulties obtaining credit due to collateral requirements from banks, hindering their ability to access financing, reduce costs, and create new jobs. Through its DCA, USAID works with financial institutions to create risk-sharing agreements, thereby opening opportunities for underserved business sectors, especially SMEs, to access financing to expand and improve their businesses and livelihoods.

The DCA activities implemented in El Salvador include loan portfolio guarantees with Banco de América Central (BAC), started in 2011, and with Banco Davivienda, started in 2013. Both activities support entrepreneurs in sectors related to commerce, services, tourism, manufacturing, and agro-industry, with an emphasis on activities that promote importing and exporting.

Due to the success of these guarantees and recognizing its importance for the country, a new 15-year DCA with Banco de América Central (BAC), Banco G&T Continental and Banco Promérica, all of which have experience working with SMEs to grow their markets, began in

2017 and is expected to run through 2032. This DCA supports SME investments and clean energy investments as well.

As a way to support the Government of El Salvador's security and prosperity goals under the Alliance for Prosperity to reduce illegal immigration, at least 50 percent of the businesses supported by the DCA must be located in the national security plan priority municipalities.

USAID is also supporting regional DCAs for clean energy and SME investments in Guatemala, El Salvador and Honduras. Partners in these regional DCAs are Banco Promérica in Guatemala, Banco del País in Honduras, and Banco Azul in El Salvador. The DCA in El Salvador also supports investments in businesses owned by Salvadoran returned migrants or businesses that hire Salvadoran returnees to reduce repeat illegal migration attempts. Regional DCAs in Guatemala and Honduras have a 12-year period and for El Salvador, a 20-year period.

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### EL SALVADOR

TOTAL INVESTMENT: \$88 million

PERIOD: 2011-2032

GEOGRAPHIC AREA: Nationwide (requires 50% of loans to be placed in national security plan priority municipalities)

#### PARTNERS:

- Private financial institutions

### REGIONAL

TOTAL INVESTMENT: \$35 million

PERIOD: 2018- 2030 (Guatemala and Honduras)  
2018- 2038 (El Salvador)

GEOGRAPHIC AREAS: Guatemala, Honduras and El Salvador

#### PARTNERS:

- Private financial institutions

For more information on USAID El Salvador and USAID Central America Regional Programs, please call: (503) 2501-3411; 3344; 3432 or visit [www.usaid.gov/el-salvador](http://www.usaid.gov/el-salvador)