

100 GOOD PRACTICES FROM THE TERRITORIES FOR A BETTER WORLD

MORAZAN: INTERNATIONALIZATION AND SUPPORT TO MIGRANTS FOR MORAZAN DEVELOPMENT

BACKGROUND

In 2000, ADEL Morazán started up AMC, a microfinance institution to support people in rural areas with little access to financing.

The first office was established in Morazán, then more offices opens in the Eastern Region, and currently there are 17 service points in the country. Since 2011, AMC opens branches in Honduras, United States, Nicaragua and Guatemala recently, and the Holding Inversiones Confianza was established.



DESCRIPTION



Through Holding *Inversiones Confianza*, investment of different enterprises in EL Salvador, Honduras, Nicaragua, and United States are administrated.

In particular, financial services are provided to the Salvadorian community in United States at the aim of promoting collaborative and commercial stakeholders networks, such as:

- Loans for economic and business initiatives to Salvadorians resident in the United States. The loans range from 1,000 to 10,000 USD.
- Credit to Salvadorians resident in EE.UUs for their investment in El Salvador. The loans range from 10,000 and 80,000 USD and may be used for productive activities, house building or restoring, land purchase.
- Money transfer to Latin America, through various remittance operators.

THE ADDED VALUE

- Internationalization of credit services under a model of community intervention.
- Coordination with other LEDAs as partners to promote access to credit most disadvantaged populations. Furthermore this enables strengthening a financial culture with the support of technical services offered by the LEDAs in the territory.
- Contribution to the sustainability strategy of Morazán LEDA, enabling it to further territorial initiatives.
- In the case of AMC US, it is the unique case of support for Salvadorans abroad, for loan guarantees for investment in their country of residence or birth (United States and El Salvador).
- Generation of utilities that allow the re-investment in the territory of Morazán, according to the strategy of human and sustainable territorial development of the LEDA



RESULTS

AMC El Salvador, has more than 12,000 loans outstanding, 11,000 clients, a portfolio of 21 million USD, 17 business points and 155 direct jobs generated.

In Honduras AMC, in partnership with the LEDA Valle-Honduras, has a portfolio of \$ 4.5 million with more than 5,000 active loans, 6 branches and 55 direct jobs; in Maryland the portfolio is \$ 500,000 and the clients are more than 200; in Nicaragua the portfolio is 1.4 million, with more than 1,400 loans outstanding and 18 direct jobs generated.

Since 2014, AMC begun the opening process of AMC Guatemala.

The sources of income for LEDA Morazán have increased, as well as the diversification and the use of credit potential in several countries

The Morazán Leda activity in favour of the migrants facilitated also an agreement with the Coordination Committee of Salvadorians in United States - COTSA that organizes and coordinates their interests, through 20 municipal committees. COTSA built a Training Center in Morazán that provides capacity building of young people of the department in collaboration with the Morazán LEDA.

TO LEARN MORE: <http://www.amc.com.sv/>