



Members of

## On behalf of the German Government and the EU, KfW supports small and medium-sized enterprises in Central America during the coronacrisis under the DINAMICA Initiative of the Central American Bank for Economic Integration (CABEI).

### BACKGROUND

The mission of CABEI is to promote a balanced economic and social development in Central America. Among other tasks, it supports MSMEs with credit programmes to promote investments and the creation of jobs in this crucial segment of the economy.

### DESCRIPTION

CABEI's DINAMICA Initiative provides financing especially for innovative and young MSMEs through financial institutions interacting with CABEI. The Initiative comprises 3 components directed to young and innovative MSMEs: (i) seed capital risk financing (by grants), (ii) provision of loans and (iii) technical assistance. The "Iniciativa DINAMICA" aims at:

1. developing entrepreneurship and innovation and
2. strengthening the financial sector by attending MSMEs.

In May 2020, the design of the Initiative was revised and opened to support small businesses hit by the economic implications of the corona pandemic. DINAMICA became part of CABEI's Emergency Support and Preparation Programme for COVID-19 and Economic Reactivation. The funds provided by KfW come from the German Federal Ministry for Economic Cooperation and Development (BMZ), the European Union (EU) as well as KfW's own funds. The initiative includes grants (EU) and loans (KfW). The total amount of the initiative is around EUR 74 million.

### IMPACTS

The programme aims at improving MSMEs' productivity and competitiveness. With a particular focus on corona, the aim is to support MSMEs during the crisis and to help maintain jobs.

The Initiative contributes to the achievement of SDG 8 (decent work and economic growth), SDG 9 (industry, innovation and infrastructure) and SDG 1 (no poverty).

COUNTRY/AREA OF INTERVENTION  
**CENTRAL AMERICA**

YEAR OF PROJECT START:  
**2020**

IMPACTED SECTORS  
**Financial sector and MSME**

#### INDICATORS ON EXPECTED DEVELOPMENT IMPACTS

**Beneficiaries:** 9,300 MSMEs  
**Number of jobs created or maintained:** 2,430 over 3 years  
Financial support is given to MSMEs who maintain at least 70% of their workforce through the COVID-19 crisis. Under this condition, at least 12,026 direct jobs in MSMEs were maintained to date.

**Expected number of MSMEs provided with seed capital:** 810 new and innovative MSMEs

MAIN PARTNERS/COOPERATION WITH OTHER PDBs:  
**EU, BMZ, CABEI**

**FINANCING AMOUNT:** EUR 74 million

**FINANCING TOOLS:**  
risk financing, loans, technical assistance

