

# THE NATIONAL AND INTERNATIONAL IMPACT OF THE MORAZÁN ECONOMIC DEVELOPMENT AGENCY

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The LEDA of the Department of Morazán in El Salvador was established in 1993 in the Municipality of San Francisco Gotera. It has a significant impact on territorial development from the occupational, social, technological and economic points of view.

In the past 10 years the LEDA has executed more than 63 projects, with a total budget of \$ 10 million, generating more than 2,000 new jobs, 250 micro and small business, supporting the growth of 2200 existing enterprises, in cooperation with 25 national and international organizations (IADB, EU, UN WOMEN, UNOPS, UNDP, OXFAM-ONEDROP, Ministry of Economy, FOMILENIO Technical Secretariat of External Financing SETEFE, among others). The LEDA has also created an agro-industry company with 200 small dairy producers that contribute to long-term strengthening of associated partners.

Already in 2000 the LEDA Morazán, seeking strategies for its sustainability and to invest its surplus in the development of the territory, decided to wean the credit program and create the micro financial institution AMC. AMC, which contributes to 60% of the sustainability of the LEDA, has 20 national and international founding partners, with 160 employees and 17 branches throughout the country. AMC manages a loan portfolio of \$ 19 million, with 15 000 customers of which 63% are women.

In 2005, ADEL Morazán has created the AMC-Honduras, involving as partner the LEDA Valle of Honduras, which currently has 30 employees, a portfolio of \$ 3.5 million, 3,000 customers and five business points. During the past two years, the LEDA also implemented the AMC-Nicaragua.

The LEDA devotes part of their income to social initiatives, such as providing scholarships to 203 local students, to facilitate their university studies and vocational training. In the last five years 6,400 people (2,400 women) were trained; projects for disaster prevention benefiting 4,000 people were executed; 1,200 producers benefited from the created cooperatives, 1,500 farmers were engaged in an Agricultural Permanent Forum.

The LEDA Morazán manages a [Service Center for the Entrepreneurial Endeavors of Women](#) that provides technical and financial services to strengthen women's business initiatives. The Center is meant to contribute to the creation of jobs and income, be competitive and support the revitalization of local economies. The LEDA has also implemented new advanced services, such as Geographic Information System (GIS) used by the departmental, municipal and national institutions to make their planning.

In 2011, the LEDA Morazán has launched a strategic initiative to internationalize the territory's economy, opening [a branch of its financial structure AMC International in the United States](#). The first office was established in the State of Maryland and others are about to open in Washington D.C. and Virginia. AMC International provides financial services to the community of Salvadorans living in Maryland. A marketing network for commercializing products of the Morazán territory (agro-food, crafts, tourism) to the community of Salvadorans in the United States is going to be established through the LEDA.



The outstanding results achieved through the LEDA Morazán to take a strong political influence in the department, promoting and participating in strategic initiatives for local development. For example, the LEDA helped to create and strengthen the *System of Actors for Development (SAD)*, a public-private partnership that brings together the 26 Municipalities of the Morazán Department, gathered in the Departmental Council of Mayors; the *Cabinet Department*, which brings together representatives of Ministries in the Department of Morazán; the *Morazán Citizens Coalition*, which brings together over 30 civil society organizations and representatives of cooperatives.

The LEDA has also fostered the creation in Morazán of the National Institute of Science and Applied Technology (University of El Salvador, INCTAUES). The LEDA provides facilities for the initial operations of the Institute.

At national level, the LEDA Morazán is having a significant impact, being partner of the Government to implement policies for micro and small enterprises in the territory of Morazán, through the [Centre for development of micro and small enterprises](#). The LEDA is also Owner Director of the National Commission of Micro and Small Business, representing the Civil Society Organizations in the country.

The LEDA Morazán assists the Government and UNDP to adopt the LEDA model in all the five departments included in the *strategy for the country's coastal marine area*. Since 2011, the ADEL Morazán has been providing technical assistance for the establishment and start-up of the LEDAs in the Departments of La Libertad, La Unión, and Usulután, and strengthening of the already existing LEDAs of Sonsonate and El Salvador city. Including Chalatenango (where the LEDA was established in 1993), 11 Departments out of 14 of El Salvador will be soon covered by these structures.

The results obtained by the LEDA Morazán are mainly due to the excellent work of their leaders, capable and committed to the development of the Department. The LEDA has well trained and experienced technical, administrative and managerial human resources, and this has allowed the institution to achieve financial sustainability, maintain stable governance, not meddle in partisan political issues, manage resources transparently, and respond to the needs and demands of micro-entrepreneurs and producers of the territory.

The LEDA Morazán has been visited by delegations of Guatemala, Honduras, Nicaragua, Mozambique, Colombia and Bolivia, interested in knowing its operational, sustainability mechanisms, and results.

#### **To know more and establish contacts**

[www.adelmorazan.org](http://www.adelmorazan.org)

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