Credit application systems for investments in agriculture and livestock in rural areas in Latin America[1]

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Fecha de recepción: 4 de enero 2016 - Fecha de aceptación: 25 de abril 2016

ABSTRACT
A lack of resources to improve inputs and tools is the fundamental cause of the lack of food security, according to families and organizations interviewed in marginalized and isolated communities (MICs) in Latin America. Families living in these types of communities have access to inputs either through donations or through credits. Marginalization and isolation tend to favor opting for credits because it becomes imperative to be able to rely on sustainable interventions, due to the little attention that these types of communities receive from government offices and development cooperation agencies. Among the methodologies for accessing credits in MICs, special mention should be made of credit lines, solidarity group programs (SGPs), and local financial structures (LFSs) or community banks. The analysis performed herein concludes that LFSs or community banks yield the best results.
Keywords: Donations, microcredits, marginalized and isolated areas, food security.

RESUMEN
La falta de recursos para mejorar los insumos y herramientas es causa fundamental de la falta de seguridad alimentaria, según las familias y organizaciones entrevistadas en las Comunidades Marginadas y Aisladas (CMA) en América Latina. Las familias que viven en este tipo de comunidades acceden a los insumos adecuados bien a través de la donación, o a través del crédito. La condición de marginación y aislamiento invita a optar por el crédito, al volverse imprescindible el contar con intervenciones sostenibles por la poca atención que este tipo de comunidades recibe de las autoridades públicas y la cooperación al desarrollo. De entre las metodologías para acceder a los créditos en las CMA destacan las líneas de crédito, los Programas de Grupos Solidarios (PGSs), o las Estructuras Financieras Locales (EFLs) o bancos comunales. Tras el análisis realizado en este artículo, se concluye que las EFLs o bancos comunales son la metodología capaz de arrojar mejores resultados.
Palabras clave: Donaciones, microcréditos, zonas marginadas y aisladas, seguridad alimentaria.

1. INTRODUCTION

In the sphere of international cooperation, after nearly 40 years of existence, microcredits have become an effective and efficient instrument recognized by the actors involved in development in general and food security in particular. Objective 1.2 of the Rome Declaration on World Food Security (FAO, 1996) identified the need to *"[e]stablish legal and other mechanisms, as appropriate, that [...] encourage investment."* More specifically, Objectives 3.5 and 6.2 propose, respectively, to *"[p]romote the development of rural banking, credit and savings schemes, where appropriate, including equal access*

[1] Avance de la investigación publicada como "Análisis de los sistemas de aplicación del crédito para acceder a la inversión agropecuaria en comunidades rurales marginadas y aisladas en América Latina", en la Revista Aportes para la Integración Latinoamericana [2014, 20(31), 57-74], que presta autorización para la publicación de la presente modificada versión en inglés.

to credit for men and women, microcredit for the poor, as well as adequate insurance mechanisms" and to *"[p]romote mechanisms to provide access to adequate credit, including microcredit, for men and women equally, for activities in the food sector."*

Recognition of the validity of microcredits as a fundamental element in the eradication of malnutrition can be seen in the systematization, evaluation and analysis of projects in the area of food security[2]. This is the case of the FAO[3], UNICEF[4], the Mexican government[5] and the Brazilian government[6], as well as of most local and international organizations working on the achievement of food security in developing countries. Among the different credit possibilities to stimulate agricultural production and food security three options are commonly used: a credit line, solidarity group programs (SGPs), and local financial structures (LFSs) or community banks.

Credit lines tied to local or international organizations began in Latin America in the late 1970s to support the economic development of the poorest strata of society, above all in the peripheral neighborhoods of more populated urban centers and in rural communities. They consist of granting small individual loans to a family to start a small business. They offer an interest rate lower than the market rate, and repayment facilities such as a grace period. A previous study is conducted with the family in order to assess the advisability of the credit, the amount needed, etc.; and the family is informed about repayment conditions. Once the credit has been granted, periodical follow-up is provided on management matters as to ensure the return on the credit. Once a family has been able to effectively develop its business, the tendency is to grant more funding as to enable the implementation of improvements or expanding the enterprise. The collateral required by a credit line tends to be tangible, such as real or personal property, provided by a relative or neighbor. There are many local experiences with credit lines (for example Banksol[7] in Bolivia).

SGPs were created in Asia in the early 1980s with the aim of supporting economic activities and feeding people living in poverty conditions in both rural and urban areas. They consist of granting a loan to a group of four to five people, who become jointly responsible for its repayment. The members of the group can either distribute the loan in equal amounts or in different amounts as a function of each

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2 For example, see the evaluation of the food security program implemented by the Inter-American Institute for Cooperation in Agriculture (IICAA) of the Organization of American States (OAS), with support from the European Union (EU) and the World Food Program (WFP) (Tulio, 2011).

3 The Special Program for Food Security (SPFS) in Central America was an initiative promoted by the United Nations Food and Agriculture Organization (FAO) to contribute to compliance with the agreements reached at the two major World Summits on Food in 1996 and 2002, and the commitments of the Millennium Declaration to reduce hunger in the world in the middle of 2015. In the SPFS, community banks were implemented to manage revolving funds to improve crop production and achieve food security. In Central America, the SPFS was implemented with collaboration of the governments in Guatemala, Honduras, Nicaragua and El Salvador (FAO, 2012).

4 The United Nations International Children's Fund (UNICEF) implemented the Andean Subregion Program of Basic Services against Poverty (PROANDES), Phase III (1998-2002), using microcredits as tools for improving investments and thereby contributing to food security (UNICEF, 1999).

5 Mexico also improved access to credit in rural areas. The Program of Direct Payments to the Countryside (PROCAMPO) was designed to help farmers during the 15-year program of direct payments that compensates producers in the transition to free trade after the North American Free Trade Agreement of 1994. The program covers an average of 14 million ha of farmland each year and reaches nearly 3 million producers. In the year 2000 alone, PROCAMPO provided payments of over US$1 billion, with an average of US$68 per hectare. Forty-five percent of beneficiaries are small producers who had previously been unable to invest adequately to improve their productivity and income. Overall, every peso of PROCAMPO payments generated another two pesos of income (FAO, 2002).

6 In its project "Zero Hunger" the Brazilian government considered microcredits an indispensable instrument to eradicate malnutrition in Brazil (UN, 2003).

7 Banksol (2013) is a private commercial bank that began operating in 1992 for the sole purpose of offering microcredits. It is now subject to the same regulations as any other commercial bank in Bolivia. Its shareholders are local and international not-for-profit, non-governmental organizations (representing 75% of the shares) and Bolivian businessmen (with 25%). Action International, Calmeadow Foundation, Rockefeller Foundation and the Inter-American Investment Corporation are notable international shareholders. The president of the Republic of Bolivia is one of the domestic shareholders.

member's business and payment capacity. The members of the group necessarily have to be neighbors and also relatives or friends. Each group chooses a coordinator, and that person is involved with the credit organization through an advisor and/or a loan officer. The organization's representative establishes a direct relationship with the group, performs the pertinent socioeconomic analyses, and assesses the economic capacity of each microcredit. They are usually small, short-term loans offered at a monthly interest rate lower than the market rate, and the groups are usually offered other financial services such as insurance, and non-financial ones such as training. Among the experiences in the area of solidarity group programs, India's Grameen Bank[8] stands out.

LFSs or community banks started in the United States in the 1980s. They were created as an instrument capable of generating income, promoting savings and facilitating mutual support among groups of 30 to 50 people. In the rural sector they were related almost from the beginning to the improvement of inputs needed to increase agricultural and livestock production for sale and, indirectly to contribute to food security. Their creation begins with the formalization of a group of 10 to 40 people through an assembly in which everyone participates democratically and sets up a committee that perform directive and administrative functions. The group that will create an LFS or bank will function as an intermediary for loans granted to the target population, i.e., people who lack opportunities to obtain financial resources by traditional means. The resources of an LFS or bank can be contributed by the members and/or by players not directly related to the banks, such as government offices or cooperation projects. Among the experiences with structures or banks, the case of CODEVELOPMENT, a finance agency that was formed by several local financial structures and that is part of the GSFEPP in Ecuador[9] can be taken as a reference.

Microcredits are traditionally used to initiate and stimulate economic activities to pursue food security in ***marginalized and isolated communities*** (MICs), which according to Sebastian (2009) are marginal and isolated areas within the agricultural frontiers in middle- and low-income countries[10], where the growing season is shorter than 150 days (arid or semi-arid) or the least arable land (highland plains, hilly and mountainous areas and rough-terrain lowlands). According to this author is a community extremely isolated if it is located at a distance more than eight hours from the market; highly isolated at four to eight hours away; and quite isolated at two to four hours away. In 2008, 20% of the farming population (542 million) of the low- and middle-income countries was living in conditions of marginalization and isolation (Sebastian, 2009). In Mexico, Peru and Ecuador, the number of people living in MICs is estimated at 19% of the total population (Herrero, 2015).

The advantages of credit lines, solidarity group programs (SGPs) and local financial structures (LFSs) or community banks are briefly summarized in Table 1. The main advantages of credit lines include the low cost of dedicated personnel. SGPs are able to adapt to the key needs of each community, whereas LFSs can be aligned with the characteristics of each group. The advantages also include sustainability and the possibility of increasing available resources when a project ends.

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[8] The Grameen Bank (2013) began in India in 1983, under the lead of Professor Muhammad Yunus of the Chittagong University with support of the National Bank of Bangladesh and the Indian government. It offers microcredits to groups of rural families that have less than 0.20 hectares of farmland and offer a collateral (solidarity guarantee) serving as a protection for the lender against the borrower's default. The bank's rate of outstanding debt is less than 2%, and it is now one of the foremost models in the area of microfinance.

[9] The Grupo Social Fondo Ecuatoriano Populorum Progressio (GSFEPP) (2013) was the second largest non-profit organization in Ecuador in terms of the volume of funds it managed. Started in 1970, it had offices in all the provinces of Ecuador and operates with several not-for-profit social enterprises that grew up alongside the GSFEPP. It granted its first credit to a rural household in 1978 and did not stop growing its credit portfolio until needing to create CODEVELOPMENT. CODEVELOPMENT began in 1997 to offer agile and fair services to those who could not access the formal financial market. Controlled by Ecuador's superintendency of Banks and Insurance, it had more than 50,000 clients around the country and 12 agencies that brought together more than 58 local financial structures.

[10] These are low-income countries whose inhabitants make US$1035 or less per year; between US$1036 and US$4085 are low-to-middle-income countries; between US$4086 and US$12,615 are middle-to-high-income countries. The per capita income in high-income countries is equal to or higher than $12,616 (WB, 2013).

Table 1. Advantages of the three types of credits for investment in agricultural and livestock production.

Type of credit advantages	Parameter: Lower costs of dedicated personnel for the project	Makes it possible to adapt loans to the needs of each community	Makes it possible to aim for sustainability	Facilitates obtaining more investment funds when a project ends
Credit lines	x			
Solidarity Group Programs (SGPs)		x		
Local Financial Structures (LFSs) or Community Banks		x	x	x

2. MATERIALS AND METHODS

2.1. Cooperation development projects

Three cooperation development projects were conducted in MICs in Mexico, Peru and Ecuador to analyze which of the three credit methodologies would be most effective. In every case, the projects were formulated, implemented and evaluated according to criteria traditionally accepted in the framework of cooperation. Their measurable and quantifiable objectives included achieving or improving nutrition conditions in the communities and responding to the causes of food insecurity identified by the affected families themselves. Table 2 summarizes the main features of the analyzed cooperation development projects.

Table 2. Projects considered for the evaluation of the credit types to improve investments in agriculture and livestock in a MIC, respectively in Mexico, Peru and Ecuador.

Type of loan	Project name (English equivalent)	Implemen-tation site	Implemen-tation period	NGO in charge of the implement-tation	Number of beneficiary families
Credit Lines	Solidarity Economy and Gender Equality: Economic-Productive Initiatives for the Comprehensive Development of Mixteca Indigenous Communities in Oaxaca (Mexico)	Tlaxiaco, Oaxaca, Mexico	2010-2012	*ENLACE*	140
Solidarity Group Programs (SGPs)	Reduction of Poverty Levels and Improvement of Food Security through Farming Initiatives among Migrant Families in Piura, Peru	Piura, Peru	2007-2009	*Unión Popular of Mujeres of Loja (UPML)*	130
Local Financial Structures (LFSs) or Community Banks	Eradication of Extreme Poverty and Improvement of Food Security in Isolated and Marginalized Communities in the Ecuadorian Andes	Suscal, Cañar, Ecuador	2010-2012	*Nuevos Horizontes*	360

Source: Prepared by the author

2.2. Data collection and analysis

For the analysis of primary information related to the projects, visits were made to the 18 communities in which they were implemented. Doing so enabled to interview 79 people who were program beneficiaries during the 2006-2014 period, as well as 12 people who were involved in the project development, including the credit components, through three local non-governmental organizations (NGOs). The surveys were done using a set of closed-ended questions, and the responses were processed using data programs. The interviews were conducted both with individuals and with groups of no more than five people. Similar compositions were sought in the groups, in terms of characteristics such as age, gender, personal situation, etc. As for the secondary information available, related documents were analyzed, including the initial proposal, the intermediate and final reports, and the evaluations.

3. DISCUSSION OF FINDINGS

When a credit line is chosen as the option to improve investments in communities, the main advantage is the control and the sustainability of the credit fund itself. In general, there is more knowledge available about the status of the portfolio and the rate of late payments or defaults. Furthermore, the professionals linked to the portfolio can take action if the fund’s trajectory is not considered suitable. For example, in the case of the Mexico project that opted for a credit line, in all of the intermediate reports, as well as in the final report, a table was included in an appendix, to summarize the status of the portfolio and provide details about the credits. However, the main disadvantages of using a credit line as the instrument to renew agricultural/livestock inputs could also be seen in the case of the project in Mexico. In general, the rate of late payments or defaults was higher because the families were not in permanent contact with their creditor. Reaching the communities to collect payments involved both time and an economic cost. Furthermore, it was more difficult to design credits independently as a function of the needs of each community and to adapt them, for example, to the needs of the farming cycle or to the specific climate conditions of a particular region. The sustainability of a credit line tied to an MIC was also questioned if it was left to the criteria or to the evolution of the local or international organization that provided it.

The primary advantages of SGPs to adjust the inputs of agricultural/livestock production in MICs are related to the control of the credit fund by an agency that can rely on a specialist to oversee the credit portfolio and thus guarantee its sound management. In general, the organization and the families participating in the SGP project in Peru especially appreciated the facility for monitoring the portfolio and the possibility of adapting microcredits to the needs of each community. Among the main disadvantages of SGPs is the lack of credit sustainability, whose continuity beyond the project implementation period is not assured since it is subject to the decisions or fate of the local or international organization that works with the MICs. Lack of sustainability is one of the main reasons that organizations do not opt to use SGPs in MICs because they can hinder the modification or substitution of inputs over time or limit new investments. This was evident in the project implemented in Peru.

The primary advantage of using LFSs or community banks is its sustainability because they are designed and implemented with the intention to continue beyond the implementation period of the project through which they originated. The project in Ecuador permitted to prove that the rate of late payments or defaults is much lower in the case of LFSs or community banks formed by families, primarily because the borrowers realize that late payment would affect negatively the neighbors with whom they spent their daily lives. There was also greater follow-up on credits since the families themselves had granted them. The credit methodology was easy to adapt to the needs of each community and, through an LFS or community bank, it was possible to continue generating development after project implementation ended. When the project budgets under analysis are compared, the main disadvantage of creating an LFS is the 15% extra cost for a cooperation project. Nevertheless, as could be observed in the unpublished budgets, the amount allocated to the revolving fund was lower by 1%, on average, than the budget for the required materials and inputs because the credit revolved and allowed several families to invest using the same resources.

Of the three credit options analyzed, i.e., the credit lines, the SGPs and the LFSs or community banks, the last is considered most suitable for work in MICs. This preference is based on the criteria of participation, appropriation, efficiency, effectiveness, impact, and sustainability.

As for *participation*, the projects that had LFSs or community banks, as the case in Ecuador, civil society participation was respectively 25% higher, whereas in the other types of projects participation of the civil society was on average 15 and 3%. The LFSs or community banks were considered fundamental. In addition, as loans were repaid, more and more people could finance small agricultural/livestock improvements on their farms without needing additional economic support, which enabled more families than expected to participate. Not only people from the same communities joined: relatives and friends from other communities created their own community bank by replicating the project.

As for *appropriation*, the level of belonging was greater in the projects implemented in Ecuador; respectively 75% higher, compared to the study cases of Mexico and Peru, in which neither of the two credit systems managed to attain 56%. The difference in the percentages can be explained because in Ecuador the beneficiaries knew they were indebted to pay for infrastructure and agricultural/livestock inputs, and they had to pay those debts because otherwise their own neighbors could be affected. Both aspects contributed to the beneficiary's attitude considering the improvements on their farms as their own.

As for *efficiency*, from a strictly economic point of view LFSs or community banks require allocating fewer resources to the improvement of infrastructure and project inputs of the beneficiary families. Specifically, the analysis of the budget items showed a five-point difference between the projects that had LFSs or community banks, and the other two projects. Since a revolving fund gives to a person a loan, collects that money and returns it to the bank, and gives it later to another person, this supposes a difference in the amount allocated to materials in projects that have LFSs or community banks and those that do not use this credit instrument. Furthermore, this credit system resulted in lower rates of late payments or defaults because the families believed that if they did not pay back the loan they would be harming their own neighbors and families and knew they could no longer opt for a credit.

As for *effectiveness*, the percentage of achieved results was highest in Ecuador, reaching 85%. The families' efforts to better each and every one were considered fundamental, and the fact that they were in debt has proven key. Also, since credits are individual, makes that each family is responsible for its own participation, regardless of the position their neighbors might take.

In terms of *impact*, there were no significant differences in the projects implemented using one or another credit instrument. In other words, the levels of agricultural/livestock production and the consumption of different foods or kilocalories, was not proportionate to the use of one or another credit instrument. Nonetheless, some qualitative issues directly related to the generated impact of the loan type have been recognized, such as:

- On the one hand, LFSs or community banks enabled the credits to be adapted to the particular features of each community. This was especially positive because, due to the communities' isolation, the progressive adaptation of the credit system became difficult, and the credibility of the instrument was put at risk with changes during implementation.
- Furthermore, LFSs or community banks created spaces for members of the communities to come together since it was necessary to meet periodically to analyze a variety of related topics. This supported the strengthening of civil society organizations and reinforced their participation in the communities' public and private life. In fact, the best data for citizen involvement were recorded in Ecuador, as well as the best data for civil society ties to public officials.

In terms of *sustainability*, LFSs or community banks are considered the most suitable option, and when dealing with isolated communities this factor is considered key. Because money from the banks belonged to the participating families, when it was paid back, it continued to be lent to generate new agricultural/livestock improvements. In addition, the proximity of the families that formed part of the community banks allowed them to face problems or adverse situations as a group. So, this approach became an instrument with greater capacity for much more personalized conflict resolution, and it was better prepared to continue when the microcredit project ended.

Furthermore, with respect to the projects implemented in Ecuador that used LFSs or community banks, the following specific characteristics related to creation and implementation were identified:

- Each LFS had the goal to begin operating within four months. The creation of a timeframe allowed both technical experts and beneficiaries to know how much time they had to master the financial structures or make changes to improve operation. It was also easier to organize the work teams and to adapt budgets and timelines during implementation.
- A person was hired for creating the LFSs for individual communities, to be responsible for a maximum of four, and to provide the necessary follow-up until they functioned smoothly and transparently.
- It was therefore possible for each technical expert to be able to visit each structure at least once a week and have a fixed day to meet with the rest of the team. The LFSs were located maximum four hours away from where the technical expert lived, and 20-40 minutes away from each other, so that the expert could visit each financial structure at least once a week.
- Follow-up was initially twice a week until the end of the first year. During the second year of implementation the specialist’s visits were monthly, with the primary aim of handling concerns that might arise during the operation of the LFSs or community banks.
- Knowing beforehand that the visits of the technical experts would be increasingly less frequent allowed the community members to organize information about what they had managed to do according to the timetable, and allowed the families to take advantage of the first months to deepen the knowledge that they had to acquire. Furthermore, budget planning could be handled better in the project, and more resources could be made available to create new LFSs or community banks.
- One LFS was created for each of the communities in which between 15 and 100 families lived. If they were created in communities with more than 100 families, trust was lost among the member families, and this affected implementation and continuity because knowledge and understanding are considered fundamental for the sustainability of LFSs or community banks. Therefore, for larger communities, two or more LFSs were created. This meant that that they could learn from each other, and that the technical expert in charge could visit them the same day.
- Initially, an LFS composed of 20 people could be formed. This made it possible to have a structure that would facilitate everyone’s attendance at all the meetings and trainings, and it also made it possible to resolve initial conflicts faster. Eventually, other families in the communities knew how the banks worked and could join an already consolidated project in which the initial doubts and operating mistakes had already been addressed.
- The members were the families willing to contribute to the capital fund, to participate in creating by-laws and to attend the meetings and sessions agreed upon. They had access to credits and to the benefits derived from the by-laws. In any case, the initial commitment was fundamental, and it was necessary to have the document signed by the beneficiary family. For that reason, it was imperative for the members to understand at all times what they were committing to when they agreed to become member of an LFS or community bank. The by-laws also had to stipulate in writing what the procedure would be in the event that a member left of his or her own free will or because the other members so decided.
- The credits that LFSs or community banks granted had to be allocated to an investment in agriculture or livestock. It was essential for all the members to know that the credits could not be used for any other purpose, not even for an emergency, if the end purpose were not to develop the area’s agricultural/livestock production. Nonetheless, the possibility was opened for them to improve in future via group credits income and eradicate extreme poverty.
- Each structure or bank had to have a board of directors that met every two weeks to monitor and assess the operation of the bank. It was formed by a director, a deputy director and a

secretary. The director was the spokesperson and liaison with authorities and other players outside the communities. The director and the deputy director performed the analyses to assess whether a loan should be made. The deputy director and the secretary followed up on the collection of each loan. The secretary performed administrative tasks and kept records and documentation. The distribution of tasks made it possible for each person to be familiar with his/her specific functions and to be trained by the technical team to perform them. This avoided overloading people in the communities that had initially shown interest in participating and willingness to do so even though the positions were unpaid.

- The LFSs were created from funds contributed by the members themselves (15%) and by the project (85%), although these percentages are variable and conditioned by the local situation. The families' contributions came from their savings and were supplemented by special contributions as a result of fairs or specific ambulant sales. The project's contribution was budgeted on the basis of the estimated loans to be made at first, before any money had been paid back. In other words, the number of families that would apply for loans was estimated, as well the amounts that could be requested in each case, and then the estimated cost were included in the budget. Once the loans started to be repaid, the funds were given to new families so that they could improve their output.
- The people that joined an LFS received the training necessary to create its operating by-laws and manage it smoothly and transparently. The by-laws defined rights and obligations, types of interest, repayment periods, and any other matter related to the structures or the banks. It was imperative, and was considered a fundamental part of sound operation, for the by-laws to be prepared by the members themselves, with support from the project, so that the obligations and the rights would be considered their own. It was also necessary to foresee the need to reform the by-laws, and to include that option in the own initial version.
- The MIC inhabitants that were not member of the LFSs had to be made aware that agencies of this kind had been created, and informed about the possibility of becoming involved in them. It was considered essential that non-member families were instructed how the banks operate to facilitate those families to become member in future or even to head the creation of a LFS.
- The LFSs were not-for-profit: the interest rate earned by those who saved was two points lower than the rate applied to the loans. The difference was used to cover the monthly operating costs agreed upon and to build up the capital of the LFS. It was fundamental in all cases for the structures or the banks to be able to support themselves on their own, and for them to be able to suitably manage their income and expenses. Otherwise, it would be necessary to extend the time in which the technical teams were involved with each structure or bank, or even to propose alternatives such as joining other banks that were sustainable, or to reinforce the training and technical assistance.
- The technical experts involved in the implementation of the LFS structure or bank kept a record-sheet in which they made note of all the visits made during the week, and the evolution of the structure or bank. The records were submitted to the coordinator every week and analyzed with the rest of the technical team and board of directors. This enabled to detect timely problems in each community in general, and with specific families in particular.

4. CONCLUSIONS

Credit lines, solidarity group programs (SGPs) and community-level local financial structures (LFSs) or community banks, the three most used forms of microcredit in the sphere of development cooperation, enables marginalized and isolated communities (MICs), not being able to acquire credits from traditional banks, to invest in agricultural/livestock production to secure everyday household basic food. The research presented herein provides a comparative evaluation of credit lines, SGPs and LFSs in MICs, respectively in Mexico, Peru and Ecuador. The fundamental difference among these three loan options is that in the first two an individual or collective loan is granted by an institution outside the community, loan that must be repaid, whereas in the case of LFSs or community banks, finance units providing credit services are created and managed by the community itself. Additionally LFSs more likely guarantee project continuation once project ends. On the basis of the comparative evaluation of the results obtained in the various projects in the three above mentioned countries, the third loan type is considered most suited and beneficial.

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