

## PROJECT SUMMARY

### EXPANSION OF FINANCIAL SERVICES FOR WOMEN ENTREPRENEURS IN PARAGUAY (PR-M1027)

The report published in 2013 by The Economist Intelligence Unit, “Women’s Entrepreneurial Venture Scope (WEVentureScope),”<sup>1</sup> indicates that women lead 23% of small businesses in Latin America and the Caribbean. The same source also indicates that women run 26.2% of the MSMEs in Paraguay. However, women entrepreneurs have proportionally more limited access to financing and only 21.3% of loans in Paraguay are for MSMEs in which the general manager is a woman.

In addition, Paraguay’s WEVentureScope score is 44.3, while a score of 100 represents the environment most supportive of women’s enterprise. This puts Paraguay in nineteenth place out of 20 countries in the index, surpassing only Jamaica. The gap between loans to companies led/owned by women and by men can be reduced by providing women entrepreneurs with access to specialized financial products.

To close the gap and improve Paraguay’s score, the Multilateral Investment Fund (MIF) will use a nonreimbursable technical cooperation operation to help Interfisa increase access to financing for small businesses led/owned by women. This is the first women entrepreneurshipBanking (weB) upscaling project in the region. Interfisa analyzed its small business portfolio as of year-end 2012 and found that only 13% of its small business loans go to women entrepreneurs while 87% go to men, leading Interfisa to become very interested in developing a more gender inclusive business strategy.

This cooperation will promote the development and adaptation of financial and nonfinancial products tailored to the needs of women in small business, and these products will be actively disseminated by Interfisa. In addition, the MIF seeks to improve Interfisa’s capacity to improve the implementation of financial product launches targeting women entrepreneurs so that it can be more flexible and efficient in granting loans, improving digital information technologies, and refining risk analysis tools.

Interfisa will partner with the Centro de Información y Recursos para el Desarrollo [Center for Information and Resources for Development] (CIRD), which will provide training for women entrepreneurs in coordination with Interfisa and will develop training courses to be used through Interfisa’s website. CIRD is a highly reputed nonprofit organization in Paraguay whose mission is to promote the construction of social capital to increase the impact and sustainability of development programs. Interfisa will also participate in the Global Banking Alliance for Women (GBA), a global platform for sharing lessons learned and best practices in the area of financing for women entrepreneurs.

This project was designed within the framework of a joint initiative between the IDB’s Structured and Corporate Finance Department (SCF) and the MIF called women entrepreneurshipBanking (weB),<sup>2</sup> launched in April 2012 during the Summit of the Americas

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<sup>1</sup> [http://graphics.eiu.com/assets/images/public/WeVentureScope-2013/EIU\\_IDB\\_WEVScope\\_Spanish\\_version.pdf](http://graphics.eiu.com/assets/images/public/WeVentureScope-2013/EIU_IDB_WEVScope_Spanish_version.pdf).

<sup>2</sup> weB: <http://www5.iadb.org/mif/Portals/0/Topics/MIF2012-Factsheet-Women-Entrepreneurship-Banking.pdf>.

in Cartagena, Colombia and falls within the Line of Activity for Promoting Small Enterprise Financing (LAPE).