



WISE

WOMEN IN SMALL ENTERPRISE

QUARTERLY REPORT JULY-SEPTEMBER 2014



OXFAM



EXECUTIVE SUMMARY

Countless women around the world are building successful small businesses. But the odds against women entrepreneurs in many developing countries can be staggering. Often, they face limited access to credit and property, household obligations that consume their waking hours, and cultural standards that discriminate against them. Oxfam's Women in Small Enterprise (WISE) initiative starts with a systemic understanding of these barriers and attracts partners with expertise in the areas of financial services, women's rights, advocacy, and entrepreneurship to develop a multidisciplinary collaboration to support women in overcoming these challenges. WISE follows Oxfam's belief in people's power to change their lives. Through WISE, Oxfam serves in its traditional role of supporting collaboration between the private sector, nonprofit organizations, and government leaders.

In this case, the focus is to advance women's economic rights in Guatemala. The Women in Small Enterprise initiative is designed for women emerging from microfinance-lending programs with businesses that show potential for further growth. These women often are not able to access growth capital as they fall into the "missing middle financing gap": the gap for loans larger than those offered by microfinance institutions and smaller than what would be considered by mainstream banking institutions. Core components of the initiative include the newly launched WISE Fund, which will support loans to women entrepreneurs in partnership with local banking institutions, and training programs for women designed to increase their economic leadership. Below are the key accomplishments of WISE from July to September 2014.

STRENGTH AND DETERMINATION

The women entrepreneurs interviewed for the baseline research for the WISE initiative reported that despite the fact that a high percentage of them (44 percent) had been victims of violence, they have not lost faith in themselves. 60 percent of women interviewed believe that it is possible to escape violence and achieve personal freedom through individual effort and economic empowerment.

COVER: Gloria Chavez, owner of Schel, a company she named after her daughter, dreams of a future in which she will be able to invest in machinery that will help her expand her production and reach export markets.
María Luisa Cruz / IDEA-ONG

ABOVE: Women participating in the WISE program prepare their products at a fair they organized after receiving preinvestment training. Marco Monroy / Oxfam



STATUS SUMMARY

This quarter, the WISE Fund completed its first close and raised \$650,000 in private capital that will be used to incentivize the growth of women-run small business lending in Guatemala. Furthermore, WISE completed its first preinvestment training round for a small pilot of 20 women entrepreneurs, selected from an applicant pool of 250 women entrepreneurs. Upon completion of the program, the participants organized their own graduation and invited their friends and families to celebrate their achievements.



Small baskets of chocolate are among the products that Jessica Vasquez, a WISE participant, is creating in her artisanal enterprise, Kaka' w. Evelyn Tillit / Comms Oxfam in Guatemala

WISE OVERALL IMPACT GOALS

Women entrepreneurs have sustainable access to appropriate finance: WISE increases access to financial resources and to appropriate capital for women-run small growing businesses with demonstrated growth potential (SGBs), so that these businesses can grow into sustainable enterprises.

Women entrepreneurs feel more empowered and have better business skills and access to training opportunities: WISE provides access to empowerment-based business training, coaching, and peer-to-peer networking that enhance business skills.

Women entrepreneurs are perceived as positive role models and leaders: WISE promotes changing perceptions around the roles of women and men by strengthening the image of women entrepreneurs as role models and leaders in communities where women's leadership is not the norm.

Women entrepreneurs benefit from a supportive policy environment: WISE's policy advocacy initiatives remove impediments, tackle the institutional barriers women-run business face, and/or create support facilities through either public or private sector policy change.

ABOVE: Peer to peer exchanges are a critical piece of the WISE training. By sharing their experiences with each other, women develop much-needed support networks and work together to identify solutions to their business challenges.
María Luisa Cruz / IDEA-ONG

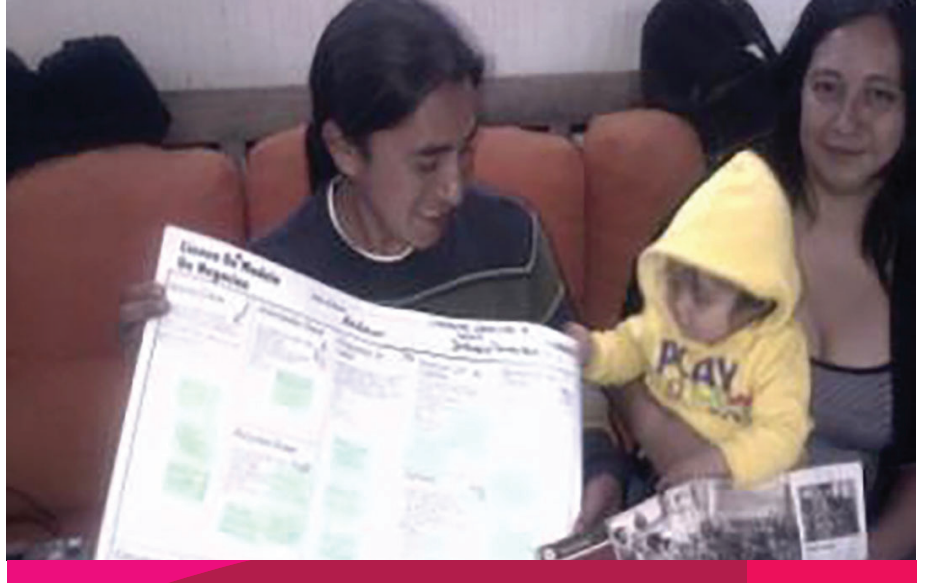
WISE PROGRAM MILESTONES

	2013			2014												2015												
	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP				
First ecosystem convening	★ FIRST ECOSYSTEM CONVENING																											
Second ecosystem convening				★ SECOND ECOSYSTEM CONVENING																								
Third ecosystem convening (implementing partners only)																★ THIRD ECOSYSTEM CONVENING												
Annual impact review																									★ ANNUAL IMPACT REVIEW			
Baseline process complete																									★ BASELINE PROCESS COMPLETE			
Feasibility study complete																									★ FEASIBILITY STUDY COMPLETE			
Negotiate credit support agreement between financial services partner and the WISE Fund																									NEGOTIATE CREDIT SUPPORT AGREEMENT BETWEEN FINANCIAL SERVICES PARTNER AND THE WISE FUND			
Gender training for financial services partner																									GENDER TRAINING FOR FINANCIAL SERVICES PARTNER			
WISE Fund first close																									★ WISE FUND FIRST CLOSE			
WISE Fund second close																									★ WISE FUND SECOND CLOSE			
Negotiate and finalize local TA and pipeline partner TORs																									★ NEGOTIATE AND FINALIZE LOCAL TA AND PIPELINE PARTNER TORs			
WISE program promotion (first cohort)																									WISE PROGRAM PROMOTION (FIRST COHORT)			
Preinvestment selections (first cohort)																									★ PREINVESTMENT SELECTIONS (FIRST COHORT)			
Preinvestment training (first cohort)																									PREINVESTMENT TRAINING (FIRST COHORT)			
Peer-to-peer meeting (first cohort)																									PEER-TO-PEER MEETING (FIRST COHORT)			
Coaching support (first cohort)																									COACHING SUPPORT (FIRST COHORT)			
Loan (first cohort)																									LOAN (FIRST COHORT)			
WISE program promotion (second cohort)																									WISE PROGRAM PROMOTION (SECOND COHORT)			
Negotiate credit support agreement between second financial services partner and the WISE Fund																									NEGOTIATE CREDIT SUPPORT AGREEMENT BETWEEN SECOND FINANCIAL SERVICES PARTNER AND THE WISE FUND			
Preinvestment selections (second cohort)																									★ PREINVESTMENT SELECTIONS (SECOND COHORT)			
Preinvestment training (second cohort)																									PREINVESTMENT TRAINING (SECOND COHORT)			

 PROCESSES
  MILESTONES
 TA: Technical assistance
 TOR: Terms of reference

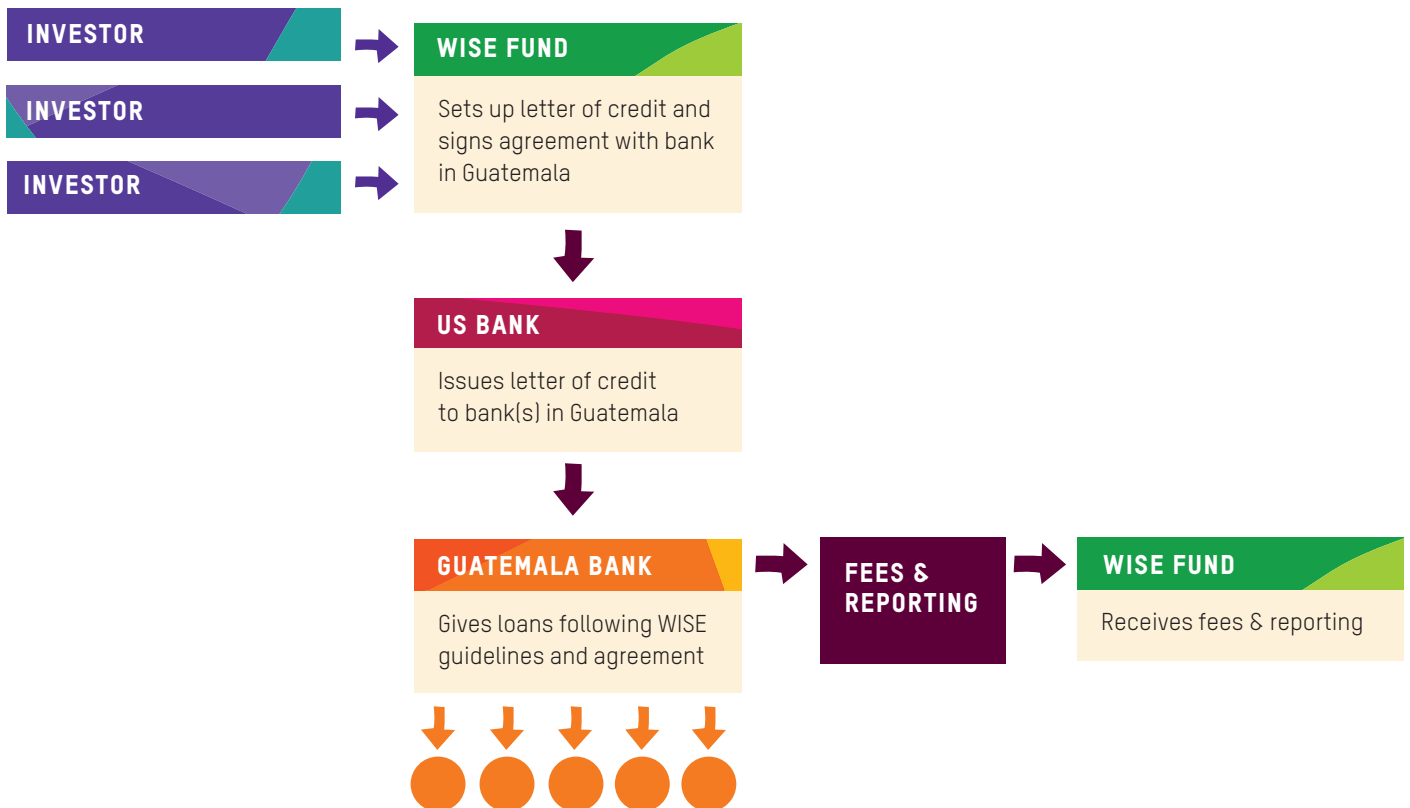
ACCOMPLISHMENTS THIS PERIOD

- Completed the first close of the WISE Fund.
- Finished preinvestment training, coaching, and peer-to-peer meetings for the first cohort of women entrepreneurs.
- Prepared the first cohort of entrepreneurs to apply for loans.
- Began work with our new pipeline partners, including the Association of Mayan Entrepreneurs (Asociación de Emprendedoras Mayas, or AEM).



Elena Xinico displays the business model for her company, Tejeduría y Confecciones Mayas, demonstrated through the “lean canvas” tool. The WISE coaches supported the women in development of their “lean canvasses” to clarify each company’s cost drivers, competitive advantage and opportunities for growth.
 María Luisa Cruz / IDEA-ONG

WISE INVESTMENT FUND STRUCTURE



WISE UPDATES ON PROGRAM GOALS

1. WOMEN ENTREPRENEURS HAVE SUSTAINABLE ACCESS TO APPROPRIATE FINANCE

Women entrepreneurs in Latin America cite lack of access to finance to grow their businesses as a major constraint. While financing is a challenge for all enterprises in “the missing middle,” the problem is magnified when the entrepreneur is a woman. World Bank statistics show that women small business owners in Guatemala are required to put up almost twice the collateral of their male counterparts. Meanwhile, property ownership in Guatemala is greatly unequal, with women owning only 13 percent of the land. Our baseline study of banks demonstrates the impact unequal property ownership has on financial inclusion: women’s collateral typically comes from solidarity groups, while men have access to collateral in the form of mortgages and/or assets, allowing for much larger loan approvals.

The awareness of disparities in asset ownership is what inspired WISE to work with banks to develop a credit product that would allow greater access to credit through the reduction of collateral requirements to a more realistic level for women. The WISE Fund provides a 50 percent guarantee on the participants’ loans, and, if a participant uses her loan for an asset purchase, the bank must accept that asset as additional collateral. This means that, under certain circumstances, the program could entirely eliminate a woman’s collateral requirement.

Although at the beginning of the program, the WISE participants doubted that the banks would give them a chance, this quarter these same women had the ability to make their business needs known in a feedback session with our banking partner, Banco GyT Continental. We believe that once the women develop a track record, their performance will exceed expectations, eventually extinguishing

the need for the credit guarantee.

2. WOMEN ENTREPRENEURS FEEL MORE EMPOWERED AND HAVE BETTER BUSINESS SKILLS AND ACCESS TO TRAINING OPPORTUNITIES

This quarter, women in the WISE initiative received preinvestment training, coaching, and peer-to-peer support. The WISE capacity development activities are unique in that they are designed to both enhance business skills and boost confidence. Carmen Maria Can, who has a poultry-selling business, stated that she learned to do the following as a result of the preinvestment training: “increase my sales, contact new customers, improve product distribution, and trust in myself.”

After completing the preinvestment training and the peer-to-peer meetings this quarter, the first cohort of women entrepreneurs demonstrated their newfound leadership capabilities by organizing a celebratory graduation and a fair to showcase their products and services. At this stage, coaches are working with the women entrepreneurs to refine their individual business plans as they prepare to apply for the WISE-guarantee-backed loans.

3. WOMEN ENTREPRENEURS ARE PERCEIVED AS POSITIVE ROLE MODELS AND LEADERS

Assumptions about women’s economic capabilities, as well as their expected societal roles, underlie the disproportionate access women have to finance and skill-building opportunities. Our baseline survey showed that only 14 percent of the women entrepreneurs interviewed believed that the community holds a favorable view of women’s economic leadership. Oxfam looks beyond the superficial to identify the underlying reasons for women’s economic exclusion, such as power, attitudes, and beliefs. Consistent with this approach, WISE seeks to influence perceptions and help women entrepreneurs feel accepted and even celebrated in their societies.

FINANCIAL BARRIERS SEEN THROUGH A GENDER LENS

The WISE baseline survey of financial institutions in Guatemala showed that several banks set lower lending limits for women versus men, and one institution reported charging a higher interest rate for loans taken out by women.

In order to achieve positive changes around the perceptions of women’s economic capabilities, the WISE team has developed a comprehensive research and learning agenda. We will document stories of women who have succeeded as entrepreneurs despite the many barriers in their way. Such “positive stereotypes” exist all over Guatemala, but they are largely invisible to the general population. At the WISE graduation ceremony, Marta Chavez, owner of Martita Farm, before packed room of WISE participant friends and family to share with the group the improvements she expected in her business as a result of her participation in the preinvestment program. The WISE initiative seeks to celebrate the success of women like Chavez so that other women across Guatemala can imagine a different future.

4. WOMEN ENTREPRENEURS BENEFIT FROM A SUPPORTIVE POLICY ENVIRONMENT

Oxfam supports local advocacy groups around the world to change policies and procedures that curtail women’s opportunities. Once we have research supporting the main institutional barriers faced by the WISE participants in growing their businesses, we will use this data to support the development of an influencing agenda. Through WISE, we expect to cultivate partnerships with diverse institutions interested in working together to improve the policy environment for women entrepreneurs.

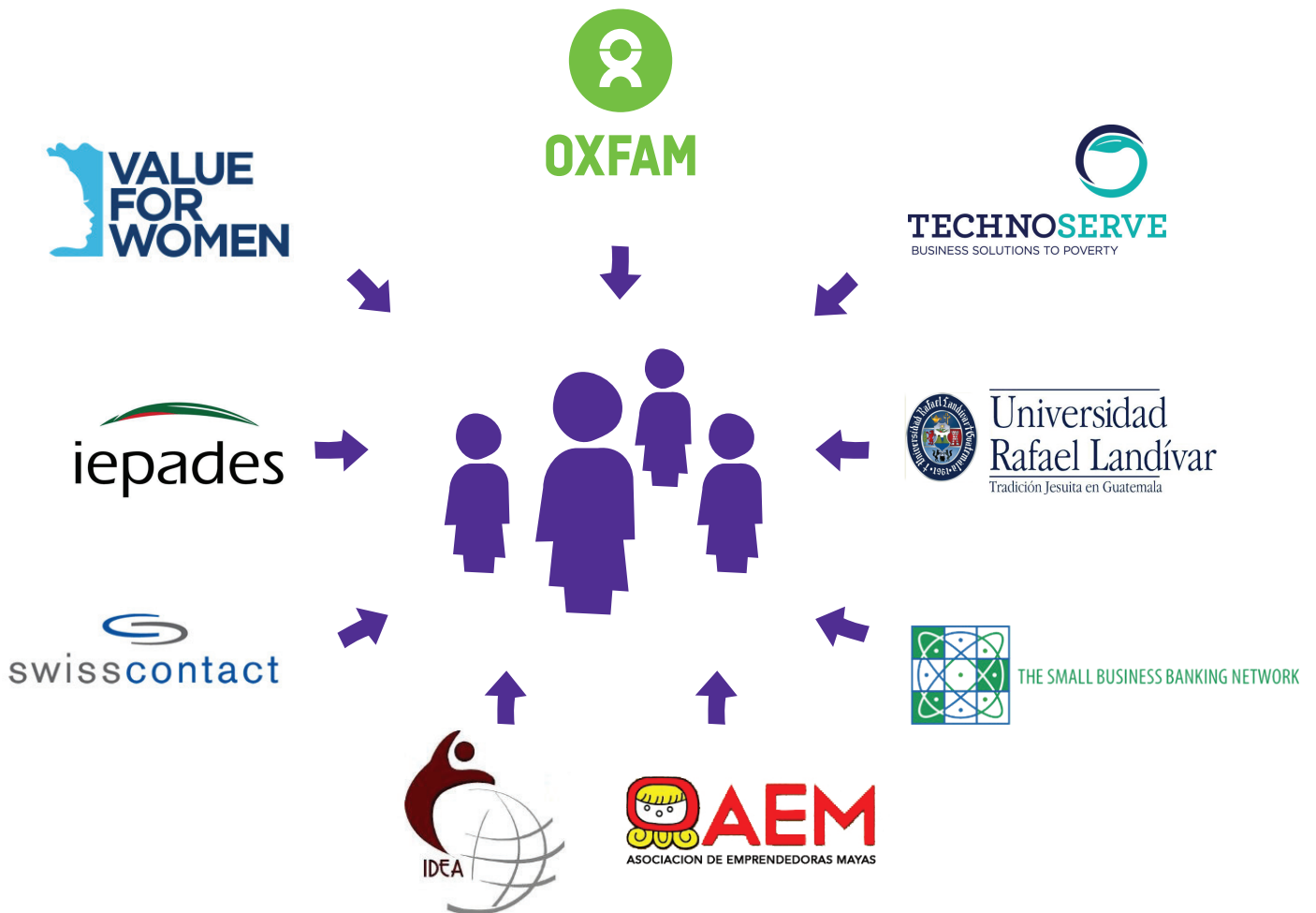
THE WISE ECOSYSTEM

WISE capitalizes on Oxfam’s ability to bring together partners to develop an “ecosystem” of support for women entrepreneurs—i.e., multi-stakeholder partnerships where shared benefits arise from collaboration, information exchange, and the creation of trust. For Oxfam, building coalitions of diverse partners working toward a common goal is one of our organizational strengths.

In this quarter, Oxfam has continued to expand its connections. During the quarter, WISE has created links to other institutions such as UN-Women, Alterna Impact, Asociación Crecer, and Asociación de Emprendedoras Mayas—diverse organizations, each which bring different strengths to the Guatemalan ecosystem. Building successful partnerships takes a special set of “soft skills.” WISE Coordinator Marco Monroy had the opportunity to strengthen these skills through a training session titled, “Leadership through Collaboration.”

This course, which was organized in Guatemala by the Aspen Network of Development Entrepreneurs (ANDE), facilitated by EPVEN (Enterprise Projects Ventures Ltd.), and hosted by Mercy Corps., trained participants in getting the most out of cross-organizational relationships.

OXFAM CONVENES DIVERSE INSTITUTIONS WITH A COMMON GOAL OF SUPPORTING WOMEN ENTREPRENEURS





THE FIRST CLASS OF WISE ENTREPRENEURS GRADUATES

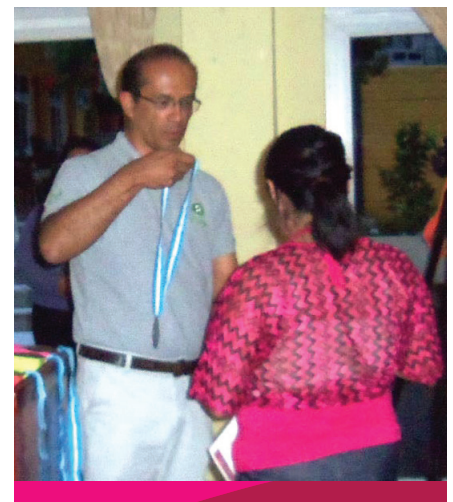
On Oct. 1, the WISE preinvestment training participants invited friends and family members to join them in celebration of their talents and new learning. The event kicked off with a business exhibition where women displayed their products and presented their plans for business expansion. As part of the business showcase, the entrepreneurs organized a business plan competition where participants competed to be recognized as having the initiative with the greatest potential. The ceremony continued with reflections by Oxfam staff, partner staff, and Marta Chavez, owner of Martita Farm. Chavez said “I’m very happy to be here and also sad because the training period has ended. Briefly, I will tell you what we learned and describe the business changes you saw in our stands this afternoon. I thank our trainer, coaches, and coordinator who support us and took us into account

from the beginning. All this process has had a background since we know each other as entrepreneur women from our saving groups. Many thanks to all. Not everyone had the privilege to receive this training; all the knowledge you as trainers had studied for years, you shared it with us, and now we can see the change. For me it was a very special change, since before I didn’t realize about my business profits, or if I even earned my own salary. Besides being a housewife, I had to work on my own to help my husband raise our children, pay their school, and support the goals they have set out on. Thank God now I know how to control my inventory, check my small business, and calculate if I’m getting profit or losing money.” At the end, women were awarded their diplomas, and the winners of the business expansion competition were announced.

The WISE preinvestment training is intended to assist women in articulating and assessing the costs and benefits of their business goals, while building their self-confidence to achieve those goals. Now, the graduates may apply for WISE-backed commercial loans, which will help provide them with the financial means to implement the changes they proposed and take their businesses to the next level.

ABOVE: The sign behind Marta Chavez helps shoppers know right away what they’ll find at her stand. With the training she is receiving from WISE, Chavez is running a small pork production business. *Evelyn Tillit / Comms Oxfam in Guatemala*

RIGHT: Alejandro Zepeda, a regional programs manager for Oxfam Great Britain, helps honor WISE award recipients whose work scored the highest at a fair showcasing the women’s products and services. *María Luisa Cruz / IDEA-ONG*



CONCLUSION

WISE is in the implementation stages of the program that will support women entrepreneurs in Guatemala for years to come, including providing training to women entrepreneurs, providing coaching for and support of their loan applications, and solidifying local partnerships with local, regional, and global stakeholders. WISE is determined to continue investing deeply in data gathering and systems to ensure that Oxfam and its partners learn from early-phase work to improve processes and performance in the coming periods.

WISE remains committed to the vision that when women are able to overcome the multiple challenges to develop and grow their businesses, the benefits accrue to the women, to their households, and to the broader society.

APPENDIX

WISE PARTNERS AND INSTITUTIONAL ROLES

OUR LOCAL/NATIONAL PARTNERS IN GUATEMALA

- **SWISSCONTACT** A business-oriented foundation for international development cooperation.
- **TECHNOSERVE** A nonprofit organization that develops business solutions to poverty by linking people to information, capital, and markets.
- **INSTITUTO DE ENSEÑANZA PARA EL DESARROLLO SOSTENIBLE (IEPADES)** A nonprofit civil society organization founded in January 1990 to promote peace building and democracy in Guatemala and the region.
- **IDEA** An innovative organization that provides support for entrepreneurs and business owners, who, through the practice of methodologies, means, and high-effective tools, strengthen their personal and business success, creating continual and sustainable improvements in their different interaction environments.
- **VALUE FOR WOMEN** A social enterprise aimed at generating transformational social change and increasing the active participation of women in enterprise development.
- **RAFAEL LANDÍVAR UNIVERSITY** A private Jesuit university in Guatemala City helping WISE with its feasibility study.
- **VINICIO RAMIREZ** An independent field researcher with 15 years of experience, performing in baseline studies and program evaluations.
- **ASOCIACIÓN DE EMPRENDEDORAS MAYAS–AEM** A private, apolitical association of altruistic women entrepreneurs who promote and coordinate collective and individual development opportunities that generate productive business, cultural, and social activities with a Mayan perspective.

OUR GLOBAL PARTNERS

- **ARGIDIUS** A foundation that provides financial support to organizations for projects focusing on accelerating small and medium-size business growth; the first donor for the WISE ecosystem and fund.
- **SMALL BUSINESS BANKING NETWORK** A global industry-building initiative that exists to expand the capacity, competency, and willingness of financial institutions to serve small and growing businesses.



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