



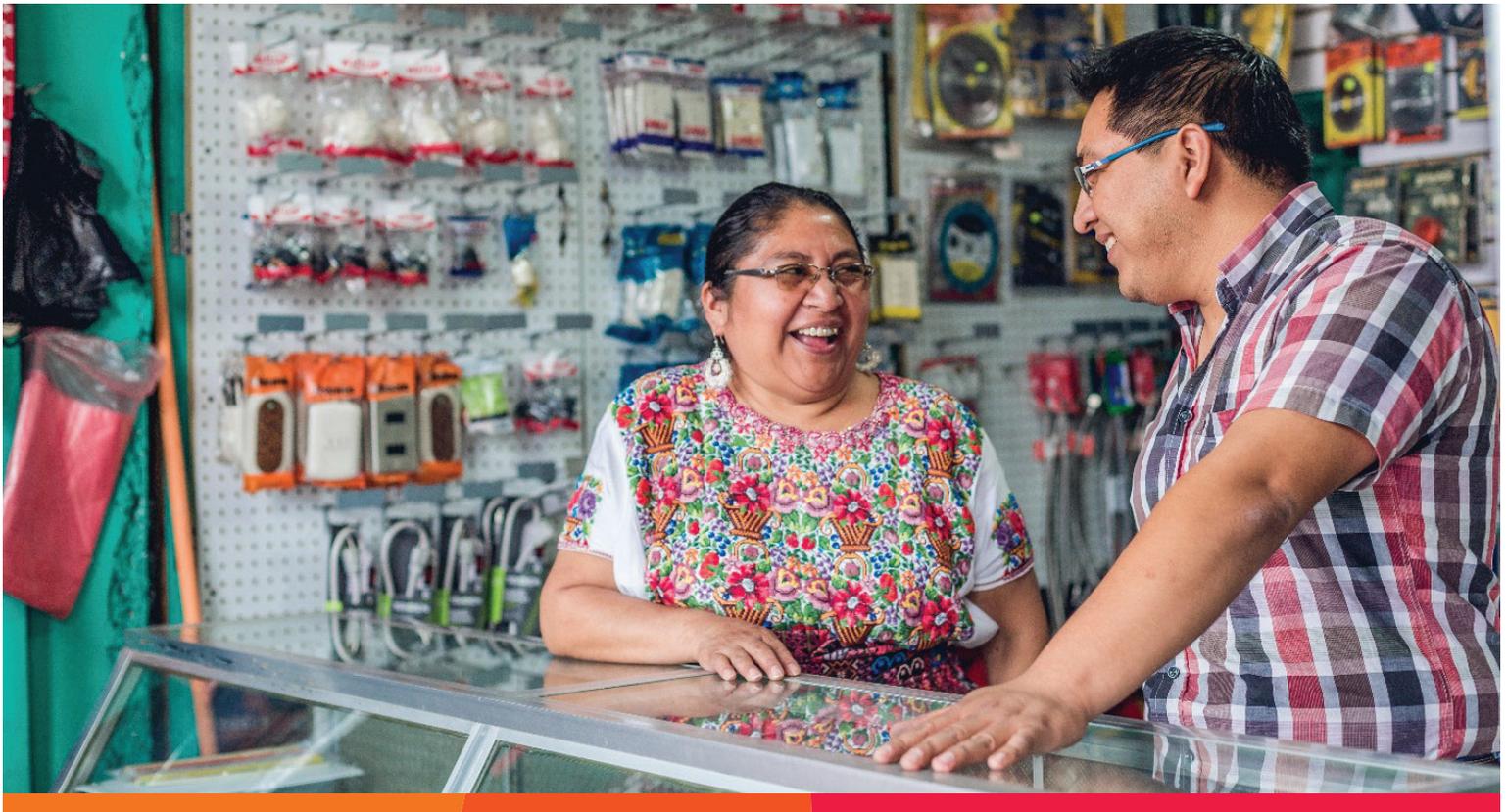
WISE

WOMEN IN SMALL ENTERPRISE

SEMIANNUAL REPORT JULY - DECEMBER 2016



OXFAM
America



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) celebrates those women who have defied the odds and creates partnerships that ease their pathway to further growth.

Through WISE, Oxfam serves in its convening role to support collaboration between financial institutions, nonprofit organizations, and academia working together to advance women's economic rights in Guatemala. WISE works alongside a suite of Oxfam initiatives in Guatemala that contribute to the overall vision of achieving greater economic independence and empowerment of women.

WISE 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 WISE Fund, which supports loans to women entrepreneurs in partnership with local financial institutions, training programs for women designed to increase their economic leadership and efforts to strengthen the image of women entrepreneurs as role models and leaders in their communities. We are delighted to share developments from the beginning of 2016 with you in this report.

WISE STRATEGIC IMPACT OBJECTIVES

1. Women entrepreneurs have sustainable access to appropriate finance.
2. Women-run businesses demonstrate improved performance.
3. Women entrepreneurs feel more empowered and influential.
4. Women entrepreneurs are perceived as positive role models and leaders.
5. Women entrepreneurs benefit from a supportive policy environment.

COVER: Gloria examines jewelry in her store where she sells jewelry and other items in person and by catalogue. She completed pre-investment training and received a loan through WISE. *COOPSAMA*

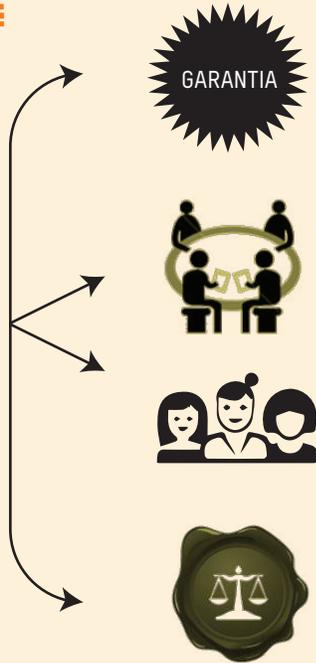
ABOVE: Victoriana attended the WISE training with our partners COOPSAMA and Consultorias MOJACAR. She owns her own hardware store and has received a loan through the WISE program. *COOPSAMA*

COMPONENTS OF THE WISE INITIATIVE

WOMEN
IN SMALL
ENTERPRISE



LA MUJER
EN LA PEQUEÑA
EMPRESA



GUARANTEED FUND TO IMPROVE ACCESS TO FINANCE FOR WOMEN ENTREPRENEURS

GENDERED BUSINESS TRAINING AND COACHING TO IMPROVE SKILLS AND CONFIDENCE

CELEBRATING ECONOMIC CONTRIBUTIONS OF WOMEN

ADVOCACY EFFORTS TO PROMOTE CHANGES IN PUBLIC AND PRIVATE POLICIES FAVORING WOMEN'S EMPOWERMENT

PROGRESS UPDATE

1. WOMEN-RUN SMALL BUSINESS LENDING LINE LAUNCHED BY COOPSAMA

WISE and COOPSAMA entered into a formal partnership in May and in July COOPSAMA launched its small business lending program called "Mujer Emprendedora" (or Entrepreneurial Woman). As of December 31, COOPSAMA approved \$290,000 in loans through "Mujer Emprendedora". According to COOPSAMA, this is the first such loan product available in Guatemala which is directed specifically at women-run small businesses combined with business and leadership training opportunities.

2. TRAINING UPDATE

A distinctive feature of "Mujer Emprendedora" is its integrated training component. Alongside the "Mujer Emprendedora" lending line, a subset of "Mujer Emprendedora" early clients participated in a pilot training program run by local training

partner Consultorias MOJACAR. The training combined business skills training with women's rights awareness materials. Classroom training was supplemented by one-on-one coaching sessions.

In addition to training for entrepreneurs, WISE also supported COOPSAMA's capacity development through a grant to CapitalPlus Exchange (CapPlus). CapPlus provides its clients with diagnostic assessments of their effectiveness in serving small businesses across areas including customer service, marketing, credit underwriting, and IT systems.

3. WISE FUND INVESTOR'S CONFERENCE

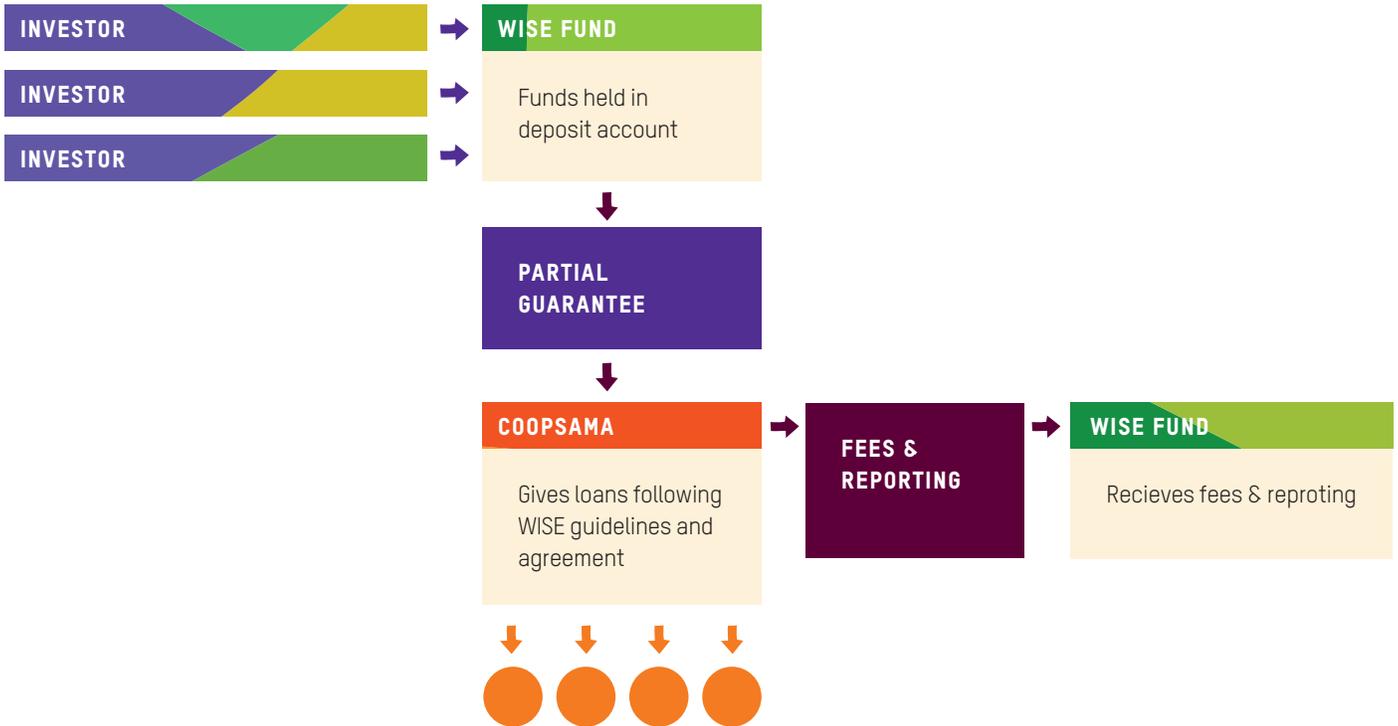
The WISE team hosted a conference on September 29th in the Boston headquarters office where investors of the WISE program gathered along with the WISE team and COOPSAMA's general manager,

Mr. Emilio Garcia. The visit provided a great opportunity to hear more about COOPSAMA's priorities and plan our strategic partnership moving forward.

4. RESEARCH ON GENDER BIAS IN GUATEMALAN BANKS

In a partnership with Babson College and Consult Centroamericana, WISE has completed the data gathering phase of the study to investigate the perceptions and experience of loan applicants as they apply for SME loans from traditional banks and microfinance institutions in Guatemala. We hope this research will help us to identify barriers to financial access in the loan application process that contribute to financial exclusion for women, in particular minority women, clarifying the link between financial exclusion and economic inequality.

WISE INVESTMENT FUND STRUCTURE



WISE UPDATES ON PROGRAM GOALS

WISE GOAL 1: WOMEN ENTREPRENEURS HAVE SUSTAINABLE ACCESS TO APPROPRIATE FINANCE

In partnership with Oxfam, WISE’s financial partner COOPSAMA, a savings and loan cooperative, launched the “Mujer Emprendedora” product line in July, offering qualifying women larger loans for longer periods with lower collateral requirements and at lower rates than they would be able to access on their own. From July 18 to December 31, COOPSAMA approved \$290,000 in loans through “Mujer Emprendedora” to 19 women entrepreneurs averaging \$15,000 per loan in a diverse array of areas including transportation, agricultural processing,

pharmacies and more. The quick uptake was the dual result of a strong investment by COOPSAMA in marketing and awareness-raising, combined with clear demand for this type of product. COOPSAMA outreach included a social media campaign, print advertising, radio advertising, and public announcements at festivals and other community events.

COOPSAMA has placed the “Mujer Emprendedora” lending line at the center of its strategic plan. COOPSAMA says it expects to reach thousands of clients and have millions in loans issued over the next 5 years. While there is work yet to be done to reach this ambitious goal, we are confident in our approach and in the capacities of our current partners. To increase the reach of “Mujer Emprendedora”, COOPSAMA plans to use a peer engagement model wherein existing “Mujer Emprendedora” entrepreneurs recruit and encourage other women

entrepreneurs to grow their businesses with COOPSAMA.

CapPlus, a non-profit organization that works with financial institutions around the world to support improvements in their capability to effectively serve small businesses, has played an important part in developing the COOPSAMA strategy. They worked with COOPSAMA over a 1-month period in advance of the strategy launch to take a critical look at where COOPSAMA’s processes and procedures can be strengthened. In partnership with WISE, CapPlus undertook this assessment for the first time with a gender lens, allowing for a clear focus on how women are served differently.



COOPSAMA marketing on social media and print advertising "Mujer Emprendedora" / COOPSAMA

WISE GOAL 2: WOMEN ENTREPRENEURS DEMONSTRATE IMPROVED PERFORMANCE

A small group of early "Mujer Emprendedora" participants received training on topics that ranged from gender justice, women's empowerment, communications and leadership, financial and tax matters, customers service, and strategic planning. In addition to these training topics, coaches visited each woman's business to help them put the knowledge acquired during the training sessions into practice. One outcome observed through the training sessions was an increase in confidence and a willingness to speak up that grew over the course of the sessions.

This pilot experience was very valuable for WISE and COOPSAMA as we developed a strategy for how the training would operate at scale. We have determined

that COOPSAMA will take over management of the training component to allow for a fully integrated product line which will include both the loan and training component. COOPSAMA and WISE will share the cost of the training program and WISE will continue to play a critical role in shaping the content and delivery. COOPSAMA is partnering with Universidad

Panamericana on delivery of the curriculum and each WISE entrepreneur who stays with the course will receive a diploma from the University. For many women, this will be their first opportunity to pursue higher education.

WISE GOAL 3: WOMEN ENTREPRENEURS FEEL MORE EMPOWERED AND INFLUENTIAL & WISE GOAL 4: WOMEN ENTREPRENEURS ARE PERCEIVED AS POSITIVE ROLE MODELS AND LEADERS

To signal the importance of women entrepreneurs in their communities, COOPSAMA has planned a variety of community activities to demonstrate and celebrate the economic contributions of women, including a large "Mujer Emprendedora" launch event scheduled for February 2017. These activities are not only meant to influence community perspectives, but also women's perceptions of themselves as valuable and important.

COOPSAMA has also developed a series of advertisements for social media and TV that profile "Mujer Emprendedora" clients. These ads show women in their places of business and reflect the image of economic actors making meaningful contributions to their communities. We believe that this type of media messaging is very impactful for changing how women are valued in society.

As we proceed with WISE, we will seek to better understand the role events and media play in making women feel more empowered and influential. We believe the training and increased access to finance have already had an impact on the women we have been able to work with thus far in "Mujer Emprendedora". However, our hope is that through events and messaging this impact can be felt by many more women in the community than WISE could ever touch directly.



Irma received a loan through the WISE program to invest in her clothing business. COOPSAMA

WISE GOAL 5: WOMEN ENTREPRENEURS BENEFIT FROM A SUPPORTIVE POLICY ENVIRONMENT

In partnership with Babson College and Consult Centroamericana, the WISE team undertook a study to investigate the perceptions and experience of loan applicants as they apply for SME loans from traditional banks and microfinance institutions in Guatemala. In this study, we compare access to credit for indigenous and non-indigenous, men- and women-owned small businesses in Guatemala. To our knowledge, no studies have addressed the intersection of gender and ethnicity in access to credit in a developing country. Our research question is: Controlling for key factors, to what degree do loan applicants perceive hidden bias related to gender and ethnicity in the credit financing application process? Having finalized the data gathering phase, we are now analyzing the data and expect to publish

our findings in the next few months.

To undertake this research, we adopted a qualitative “mystery shopper” methodology. We recruited 24 participants, or 12 matched pairs of male and female business owners, half indigenous and half non-indigenous, seeking SME loans to support business growth for their new and small businesses. All participants were trained in advance on the loan application process. The study participants were told that the purpose of the study was to more accurately assess prevailing credit conditions so as to not bias their interactions with the banks. While we are still analyzing the data, women did report being asked to meet additional requirements that men were not, such as providing their spouse’s identification. Publication is expected to include a public report and the research findings will be presented at the Babson College Entrepreneurship Research Conference (BCERC) this June.

// It seems that women are less trusted (by banks)... They asked for my civil status (when applying for a loan), if I was married or in a partnership, and would then ask for my husband’s identification. For example, at one bank, I was asked for my husband’s identification and was told that was a requirement I had to meet //

—Mystery shopper study participant

THE WISE ECOSYSTEM

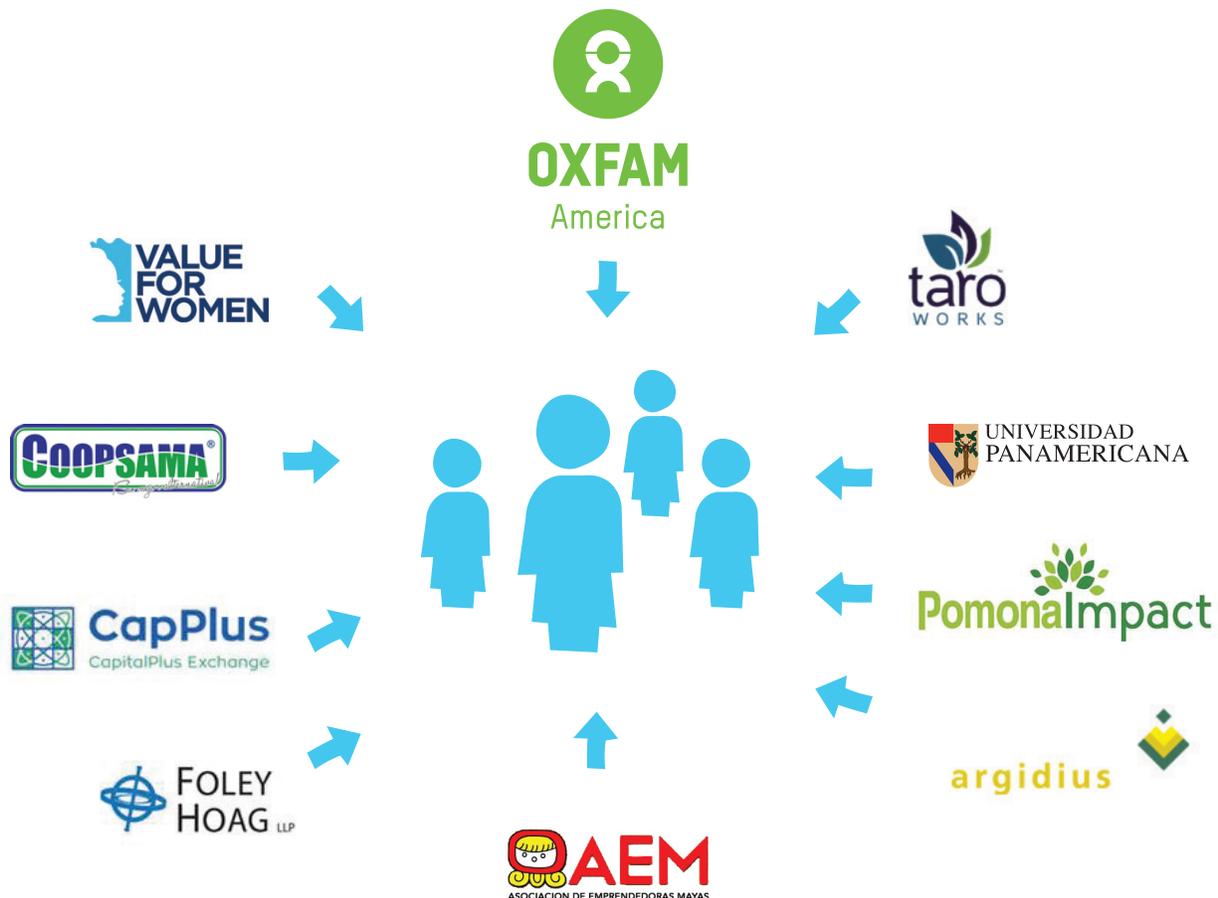
WISE relies on its partners to create an ecosystem to support the WISE mission. Their continuous support enables WISE to grow and accomplish its goals. Over the past 6 months, WISE was happy to welcome CapitalPlus Exchange (CapPlus) back into the WISE community. WISE previously worked with CapPlus with our former financial partner and have partnered with them again in our new relationship with COOPSAMA.

CapitalPlus Exchange Corporation, an international 501(c)(3) nonprofit organization, was founded in 2004 by ShoreBank, the USA's first community development bank holding company. CapPlus was established in tandem with the ShoreCap Investment Fund to demonstrate the power of combining new capital with capacity building services (the "capital plus" approach) to accelerate investees' financial services to SMEs. They created peer knowledge exchange opportunities, which then led to establishing the Small

Business Banking Network (SBBN). SBBN's success prompted the G20's SME Finance Forum to create a larger network in 2015 into which SBBN has been incorporated.

Currently, they work closely with financial institutions, investment funds, innovators, and other stakeholders committed to scaling small business finance in developing economies around the world.

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





THE WISE TEAM GROWS AT COOPSAMA

The WISE team is excited to bring on Tania Noemi Soria Ac as a new member of the team working as the Program Assistant at COOPSAMA.

Tania is from Cobán, Alta Verapaz, Guatemala. She grew up in a small family and was raised with values, namely humility, honesty, and hard work. Tania finished her high school in 2010 where she specialized in computer programs. One of her main goals for the near future is to complete a university career and excel in the workplace as a successful and professional woman.

Six years ago Tania began her own family and today is a mother of a six-year old son and a three-year old daughter. Tania cites her children as her reason to

strive each day to be successful in her career in order to help her children fulfil their dreams in the future.

Tania feels lucky to be a part of the WISE initiative because she loves working with women entrepreneurs and closely identifies with them. She considers herself to belong to the group of women who are entrepreneurial, independent, and willing to work hard for their future. With WISE, Tania sees every day as a new opportunity to grow and to be an important pillar for both society and families. It gives her pleasure to work for an entity that supports women, helps them discover their capabilities, and builds their skills through trainings.



ABOVE: The COOPSAMA office in Alta Verapaz. Marketing Team / COOPSAMA

RIGHT: Tania Soria, the WISE team's new program assistant at COOPSAMA. Tania Soria / COOPSAMA

CONCLUSION

This is a critical phase for WISE. As any social entrepreneur knows, it takes several iterations to land upon the right business model, strategy and partners to achieve success. With COOPSAMA's partnership, WISE is in a place to expand considerably and support this next generation of exceptional women business leaders. The new WISE training curriculum, which excitingly is now broadly under COOPSAMA's direction, will be offered this year and for many WISE applicants will allow them the opportunity to obtain a formal education certificate. That being said, challenges remain. While we feel that demand is clear from the strong response to COOPSAMA's first marketing push, this year will be the critical one in validating that demand. We also face various funding challenges. However, we feel we are well positioned to meet these challenges and continue to serve the women entrepreneurs of Guatemala.

APPENDIX

WISE PARTNERS AND INSTITUTIONAL ROLES

OUR LOCAL/NATIONAL PARTNERS IN GUATEMALA

- **Asociación de Emprendedoras Mayas.** A private, apolitical association integrated by altruistic women entrepreneurs that promotes and coordinates collective and individual development opportunities that generate productive business, cultural, and social activities under the Mayan perspective.
- **Consultorias MOJACAR** is a nonprofit organization working in Northern Guatemala. They provide professional support through training and advice to companies, institutions, and individuals in business management and human resources.
- **COOPSAMA.** A cooperative bank belonging to the MICOPE cooperative banking system.
- **Gremial de Mujeres Empresarias, Cámara de Comercio Filial Quetzaltenango.** An organization that develops and implements learning spaces and monthly meetings designed to strengthen and support business women to improve their business results.
- **UN Women.** A UN organization dedicated to the promotion of gender equality and women's empowerment and committed to assisting efforts to increase women's security, prevent gender-based violence and promote women's economic empowerment.
- **UNIVERSIDAD PANAMERICANA.** A private catholic university located in Mexico City helping WISE deliver training to the entrepreneurs.

OUR GLOBAL PARTNERS

- **Argidius.** A foundation that provides financial support to organizations for projects focusing on accelerating small- and medium-size business growth.
- **CapPLUS.** A global industry-building initiative that exists to expand the capacity, competency, and willingness of financial institutions to serve small and growing businesses.
- **Center for Women's Entrepreneurial Leadership.** Part of Babson College that aims to educate, inspire, and empower women entrepreneurial leaders to reach their full potential to create economic and social value for themselves, their organization, and society.
- **Crea Comunidades de Emprendedores Sociales.** A civil society organization based out of Mexico that develops and implements unique programs to encourage entrepreneurs from marginalized areas.
- **Foley Hoag.** A Boston-based law firm offering pro bono legal support to the WISE initiative.
- **Pomona Impact.** An impact investing firm that invests in small growing businesses, particularly those with a social mission. These businesses contribute significant benefits to people and communities at the bottom of the economic pyramid. Pomona Impact works closely with portfolio companies to identify and create value and positive impact.
- **TaroWorks.** An affiliate of the Grameen Foundation that provides a suite of mobile data collection and analytical tools.
- **Value for Women.** A social enterprise aimed at generating transformational social change and increasing the active participation of women in enterprise development.



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