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 and helps them defy the odds and creates partnerships that ease their pathway to further growth. Through WISE, Oxfam supports collaboration between the private sector, nonprofit organizations, and academia 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 who are 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 banking institutions, training programs designed to increase women’s economic leadership and efforts to strengthen the image of women entrepreneurs as role models and leaders in their communities.

The period from January – June 2015 has been a time of intense learning for the team. We have adjusted our strategy in ways that will enhance social outcomes and financial performance. We are delighted to share these changes 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
### PROGRESS UPDATE

1. Over 50 women have received—or are currently receiving—empowerment-based business training and coaching. The WISE methodology, which integrates confidence building exercises and women’s rights awareness raising (including violence prevention) into business and financial management-related trainings, is at the cutting edge of practice.¹

2. Three women entrepreneurs have been approved for WISE Fund guarantee-backed loans from Banco GyT Continental (“GyT”). These women are using their loans to purchase inputs that will allow them to diversify their product lines, invest in equipment to increase production and grow their businesses. They continue to be supported by coaches who ensure that they stick to their commitments and have help managing challenges.

3. GyT, our primary banking partner, has committed to changing its business practices to better serve women clients in general. Most significantly, the bank has changed its MIS system to gather gender disaggregated statistics. This data is critical for the bank to be able to monitor its own commitment to pro-actively reach out to women clients and to identify any barriers to achieving these goals. It is through this sort of institutional change that WISE sees the greatest potential for widespread impact.

---

¹ WISE is being implemented in line with recommendations suggested in the recently released article by Hughes et al, “Women’s economic inequality and domestic violence: exploring the links and empowering women” published in the July edition of Gender & Development Journal.

### IMPLEMENTATION PRINCIPLES

1. The WISE initiative is implemented successfully and efficiently through collaboration with external partners, leveraging their unique skills sets and resources to broaden opportunities for women entrepreneurs.

2. The WISE initiative is implemented responsibly based on excellent Monitoring, Evaluation, Accountability and Learning (MEAL) systems, active budget management, sufficient funding, transparent/on-time reporting and regular team coordination.
### WISE Program Milestones

<table>
<thead>
<tr>
<th>MILESTONES</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ecosystem Convenings</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Baseline process complete</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Feasibility study complete</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Negotiate agreement between financial services partner and the WISE Fund</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gender training for financial services partner</td>
<td></td>
<td></td>
</tr>
<tr>
<td>WISE Fund first close</td>
<td></td>
<td></td>
</tr>
<tr>
<td>WISE Fund second close</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Negotiate and finalize local TA and pipeline partner TORs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>WISE program promotion (first cohort)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Preinvestment selections (first cohort)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Preinvestment training (first cohort)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Peer-to-peer meeting (first cohort)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Coaching support (first cohort)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loan application (first cohort)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>WISE program promotion (second cohort)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Preinvestment selections (second cohort)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Preinvestment training (second cohort)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loan Applications (second cohort)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Initiate negotiation with second financial services partner and the WISE Fund</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Processes**

- Baseline process complete
- Feasibility study complete
- Negotiate agreement between financial services partner and the WISE Fund
- Gender training for financial services partner
- WISE Fund first close
- WISE Fund second close
- Negotiate and finalize local TA and pipeline partner TORs
- WISE program promotion (first cohort)
- Preinvestment selections (first cohort)
- Preinvestment training (first cohort)
- Peer-to-peer meeting (first cohort)
- Coaching support (first cohort)
- Loan application (first cohort)
- WISE program promotion (second cohort)
- Preinvestment selections (second cohort)
- Preinvestment training (second cohort)
- Loan Applications (second cohort)
- Initiate negotiation with second financial services partner and the WISE Fund

**Milestones**

- Ecosystem Convenings
- Baseline process complete
- Feasibility study complete
- Negotiate agreement between financial services partner and the WISE Fund
- Gender training for financial services partner
- WISE Fund first close
- WISE Fund second close
- Negotiate and finalize local TA and pipeline partner TORs
- WISE program promotion (first cohort)
- Preinvestment selections (first cohort)
- Preinvestment training (first cohort)
- Peer-to-peer meeting (first cohort)
- Coaching support (first cohort)
- Loan application (first cohort)
- WISE program promotion (second cohort)
- Preinvestment selections (second cohort)
- Preinvestment training (second cohort)
- Loan Applications (second cohort)
- Initiate negotiation with second financial services partner and the WISE Fund

**TA:** Technical assistance

**TOR:** Terms of reference
WISE UPDATES ON PROGRAM GOALS

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

While it is very challenging, we believe that Oxfam has a critical role to play in building the missing middle. In Guatemala, there is a dearth of programs supporting women’s exits from micro-states and WISE is filling that gap. Early results show that women entrepreneurs who decided to take out loans with guarantee support from the WISE Fund received loans at lower interest rates and for longer periods of time than they otherwise would have received. Through Oxfam’s influencing of both the entrepreneurs and the banking partner, we believe we will arrive at a win-win outcome: Women have more options and the bank has an expanded client base.

That said, the ramp up of the financial access component has been one of the more challenging elements of the roll-out of WISE. The banking sector in Guatemala is conservative and there are very few efforts directed to serving small and growing businesses. Also, by banking industry standards, WISE is a small innovations pilot—just one of many initiatives the bank needs to manage on a daily basis. Furthermore, we have found that the entrepreneurs are also conservative and skeptical about being served fairly by the formal financial sector. Participants have expressed concern about the risks involved in taking out the kind of large loans that would drive significant business growth. Financial literacy was also a challenge, as noted below, and while many women expressed an interest initially in taking out a loan, once they were better able to estimate their true business costs and profits, they were uncertain whether their businesses were well positioned to service debt at this time.

Going forward, we are lowering our expected loan sizes to more accurately meet market demand. Also, the coaches will receive training from GyT in the next quarter so they can help GyT in the next quarter so they can help GyT in the next quarter so they can help women better understand the bank’s lending requirements. Furthermore, coaches will encourage women to apply for loans from institutions other than GyT in order to seek out the most competitive rates (which, GyT has said they would match) and make educated decisions on which option is most strategic for their businesses.

Ana Dominga’s handmade fabrics hang in her yard. WISE training and a loan have helped her increase the variety and style of her products. [Ilene Perlman / Oxfam America]
GOAL 2: WOMEN ENTREPRENEURS DEMONSTRATE IMPROVED PERFORMANCE

The route towards improved performance in WISE is expected to grow in large part from the personal development opportunities offered by the training, peer-to-peer support and coaching activities that start in the pre-investment stage of WISE. In the first cohort of the WISE initiative, a distinct area of weakness for many entrepreneurs was in accounting and financial management. The women selected to participate in the first group, despite running sizable businesses\(^2\), were unclear about how to accurately calculate costs and many weren’t clear whether their firms were profit-making. The entrepreneurs reported that, following the WISE pre-investment training, they were better equipped to run their businesses. Specifically, 92 percent of the participants in the first WISE pre-investment training said they gained important financial management skills and were now better able to assess their costs and calculate profit. In addition to improved financial literacy, inventory management and identification of new sales channels were also cited as being helpful.

We are currently in the process of fully operationalizing a monitoring platform will provide regular updates of improvements in performance across a number of topics. (For more on that see the Ecosystem Focus section highlighting our partnership with Taroworks). For now, our best evidence of results comes from the statements of the entrepreneurs themselves, as noted above. An annual survey taken at year-end will provide a fuller picture of revenue, income and job growth to see how much these lessons—in combination with other factors—have led to concrete improvements in the businesses.

GOAL 3: WOMEN ENTREPRENEURS FEEL MORE EMPOWERED AND INFLUENTIAL

The integration of women’s empowerment themes with business subject matter in the WISE training and coaching methodologies is a key distinguishing feature of the program and an aspect that promises to deliver major learnings for the field. We are currently putting into place an evaluation system that will track feelings of empowerment over time across five spheres (political-legal, economic, socio-cultural, psychological and decision-making). In addition, a program mid-term evaluation will include women interviewed for the baseline survey who did not take part in WISE on empowerment questions so we can gain feedback on the independent effects of the program. For now, as with results on business performance, we have initial feedback from the entrepreneurs to evaluate performance to date. Following the first cohort’s pre-investment participation, 30% of women surveyed made comments that reflect an increased sense of ownership and agency. For example, one woman said, “I recognize the value of my work,” and another said, “I learned that I have 100% responsibility to carry out a successful business”.

While this feedback provides some indication of progress, we also recognize the need to build in a more intentional focus on women’s rights themes. We are actively pursuing this. First of all, WISE entrepreneurs participating in pre-investment training now also receive gender-based violence awareness training from partners participating in Oxfam’s prevention of gender-based violence program in Guatemala. This programming will be followed up with segments on active citizenship and political participation. We expect that this information will not only benefit the entrepreneurs themselves, but will be passed on to other women in their communities. Lastly, we are in the final steps of securing funding to develop modules that will facilitate upfront conversations between entrepreneurs and their partners. These modules are designed to build buy-in for the women’s participation in WISE, which will enable women to take the best possible advantage of the program and minimize the risk of backlash along the way.

\(^2\) In Sololá, 24% of businesses reported sales of over $10k per year in a country where per capita GNI was estimated at $3,341 in 2014 (WB, 2014).
GOAL 4: WOMEN ENTREPRENEURS ARE PERCEIVED AS POSITIVE ROLE MODELS AND LEADERS

WISE seeks to promote changed perceptions around the roles of men and women. One of the means we have identified to accomplish this is to celebrate the achievements of women who are already making a difference in business and in their communities. Oxfam’s communications team is currently developing case studies of women leaders participating in WISE. The first such story - that of Carmen María Can Pixabaj, who is profiled later in this report - is already being told to our US constituency on Oxfam’s website. All of these stories will be translated into Spanish for dissemination in Guatemala through Oxfam’s domestic media outlets, as well as through external partnerships with women’s rights organizations that are already working in Guatemala to improve perceptions of women’s economic capabilities. We are currently working to formalize relationships with partner institutions in this realm.

GOAL 5: WOMEN ENTREPRENEURS BENEFIT FROM A SUPPORTIVE POLICY ENVIRONMENT

Through their participation in WISE, GyT has committed to changing its business practices to better reach underserved women clients. The bank has already changed its MIS system to be able to gather gender disaggregated statistics. This information is critical because it reveals the extent to which bias against women exists in the provision of loans and other financial services. GyT’s micro-finance department has received gender training from global partner Value for Women and it is advocating rolling out similar training to the rest of the bank. We are also pursuing further changes such as a marketing pilot in one branch office that employs a women-centric focus.

CASE STUDY: NEGATIVE GENDER DYNAMICS

Several participants in the second pre-investment cohort have opened up about their household challenges, which include controlling behavior and alcoholism on the part of their husbands. One woman’s husband insisted on coming to the training sessions to be able to monitor her activities. It shows the necessity for a separate space, as well as discussion of topics that support women in navigating constraining gender roles as they seek greater independence.
THE WISE ECOSYSTEM

Over the first year of implementation, the WISE team has made connections and, in certain cases, launched partnerships, with over 40 organizations either working directly in Guatemala or supporting work being done there. These partnerships allow us to do far more than we could ever do on our own. Our partnership with Taroworks exemplifies this.

Since 2014, WISE has been working in partnership with Taroworks to set up our online monitoring system known as WISEDOM. Taroworks is an affiliate of the Grameen Foundation, which provides a suite of mobile technology tools to facilitate remote field operations management and monitoring/evaluation of programs. WISEDOM is a cloud-based system built off of Salesforce architecture. The next stage of our partnership with Taroworks will be to create partner portals for our WISEDOM system. This will provide Oxfam staff, implementing partners in Guatemala, fund investors, program donors, and the entrepreneurs themselves access to appropriate information within our ICT monitoring system providing transparency and real-time information sharing. This is an innovation for Oxfam and also for Taroworks, for which this capability is still in the early stages of development.

OXFAM CONVENES DIVERSE INSTITUTIONS WITH A COMMON GOAL OF SUPPORTING WOMEN ENTREPRENEURS
PROFILE: CARMEN MARÍA CAN PIXABAJ

In Guatemala, WISE participant Carmen María Can Pixabaj has grown her poultry business and re-invested her profits in her business and in her family. WISE coaches helped her expand her sales by selling directly to market. “What helped me a lot was to decide and take a step forward in seeking out new clients,” says Can Pixabaj, whose native language is Quiché. “The coach particularly guided me. She said you don’t need to be afraid of it. Feel confident and go in!” The chickens, well-fed and raised hormone-free, practically sold themselves.

Can Pixabaj usually sells about 50 chickens a week—for a profit of about 400 quetzales, or about $53. “It’s helped me quite a lot,” says Can Pixabaj, who is 43 and has four children. “I help my children pay for their studies and things we need for the home.” But as the business has prospered during the past three years, it is helping her in other important—and personal—ways, too. “I feel much more sure of myself because I know I can make ends meet myself,” says Can Pixabaj. Though she consults her husband and he helps her with the work, she is the one who makes the decisions about the business.

Can Pixabaj has raised up to 450 chickens at a time, but her dream is to more than double that and boost her capacity to 1,000 chickens. And it seems likely that there would be plenty of demand for them: on weekly market days when she sets up shop with 40 birds, Can Pixabaj sells out within an hour.

She hopes her daughters—17 and 19—are gleaning insight from her experience. “This is what I’d like for them,” says Can Pixabaj. “I’d like to teach them how to earn a living because I want them to be people who do well and to follow my example because I believe you can do anything in life if you stay on the right path.”
CONCLUSION

We believe that investment funds like WISE chart the course for a rights-based approach to support broad social change. The WISE Fund allows us to witness and document firsthand the huge obstacles women face in building and growing their businesses. Oxfam thinks impact investing can be used to draw broader attention to the social inequities that its interventions hope to address.

We take our inspiration from women like Carmen Maria Can Pixabaj, who participated in the WISE pre-investment training. She said that as a result of her participation she learned to “increase my sales, contact new customers, improve product distribution and trust in myself.” When women are given the opportunity to demonstrate their capabilities, there’s no limit to what they can do. To achieve this requires a mindset change that starts first with the women themselves and builds to a shift in societal thinking that values women as role models and leaders. WISE remains committed to the vision that when women are able to overcome the challenges to growing their businesses, the benefits accrue to the women, to their households, and to the broader society.
OUR LOCAL/NATIONAL PARTNERS IN GUATEMALA

• 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.

• RAFAEL LANDÍVAR UNIVERSITY A private Jesuit university in Guatemala City helping WISE with its feasibility study.

• ASOCIACIÓN DE EMPRENDEDORES MAYAS–AEM A private, apolitical association integrated by altruistic women entrepreneurs that promote and coordinate collective and individual development opportunities that generate productive business, cultural, and social activities under the Mayan perspective.

• GREMIAL DE MUJERES EMPRESARIAS, Cámara de Comercio Filial Quetzaltenango. An organization that develops and implements learning spaces and monthly meeting designed to strengthen and support business women to improve their business results.

• BANCO G&T CONTINENTAL The third largest bank in Guatemala and the primary banking partner of WISE.

OUR GLOBAL PARTNERS

• VALUE FOR WOMEN A social enterprise aimed at generating transformational social change and increasing the active participation of women in enterprise development.

• 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.

• POMONA IMPACT An impact investing firm that invests in Small Growing Businesses, particularly those with a social mission. These firms 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.

• FOLEY HOAG A Boston-based law firm offering pro bono legal support to the WISE initiative.