




**13th ANNUAL MEETING OF THE
WOMEN LEADERS NETWORK -
WLN**


Financing SMEs

Chairperson MYRNA T. YAO
National Commission on the Role of Filipino Women
REPUBLIC OF THE PHILIPPINES
12-14 May 2008
Arequipa, PERU



**SMEs and Women Owned Enterprises (WOEs)—
Significance and Contribution to National Economic
Growth and the Global Economy**

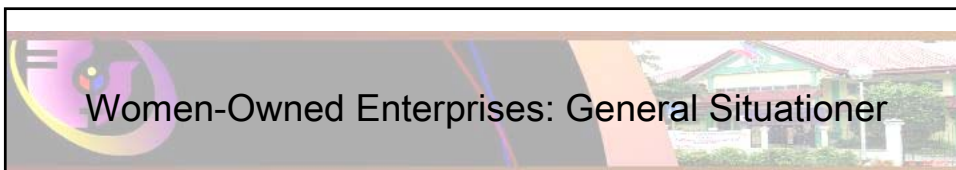
- Complement or support operation of large firms/companies by taking on outsourced work
- Provide jobs for women and men
- Reduction of incidence of tracking in women
- Improved quality of life for women and their households



Women-Owned Enterprises: General Situationer

2 groups of entrepreneurs

1. Opportunity-based
2. Necessity-based



Women-Owned Enterprises: General Situationer

Female entrepreneurs tend to pursue business in a limited number of sectors

- Mostly found in retail and service sectors
- Start business in sectors where female employment is concentrated
- Home-based and micro-enterprises



Barriers to Finance of WOE: from the View of
Financial Institutions

"SMEs create 57% of global employment whereas their access to lease financing is only 3.88% of total outlay. Access to finance is one of the most critical factors for market entry, growth and survival of SMEs ."

-International Finance Corporation



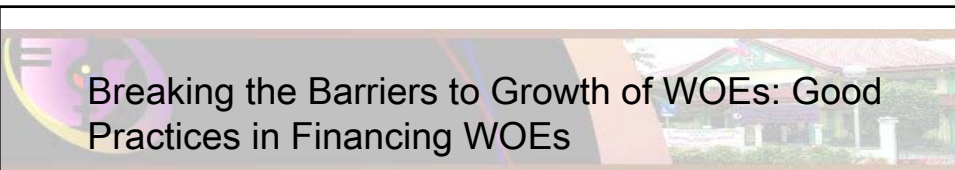
Barriers to Finance of WOE: from the View of
Financial Institutions

- 1. Sex stereotyping**
- 2. Perceptions that WOE are high risk**
- 3. High cost of lending.**
- 4. Structural Gender Discrimination**
- 5. Rigidity in financial product design**
- 6. Absence of mechanism for improving the effectiveness of government's credit**
- 7. Complex procedure of availment of financing**



Barriers to Finance of WOE: from the View of WOE/Women Entrepreneurs

- 1. Lack of knowledge of availability of institutional funding**
- 2. Hassle of business registration procedures**
- 3. Lack property ownership, collateral**
- 4. Difficulty in establishing their track record in business**
- 5. Lack knowledge about available options for financing as well as the advantages and disadvantages of such facility**



Breaking the Barriers to Growth of WOE: Good Practices in Financing WOE

- Provision of micro-credit**
- Provision of information and assistance by national and local governments in accessing sources of finance**
- Partnership between government and women's business associations to assist women entrepreneurs**
- Provision of assistance by CSOs**
 - Establishment of alternative or diversified sources of finance**
 - Training and counseling services**
 - Partnership arrangement with banks**
 - Advocacy programs re issues of women entrepreneurs in financing**



SOME ACTION POINTS FOR WLN

1. Public-Private Partnership

- **Help broker private-public partnerships between governments and financial institutions, especially for least developed and developing countries**
- **Track the progress and outcomes/impacts of these partnerships on the development of WOE in the said economies**



SOME ACTION POINTS FOR WLN

2. Creation of Advocacy and Networking Groups

- **Information and dissemination among women entrepreneurs on accessing finance and providing linkages to various financial institutions (FIs)**
- **Development and conduct of info drives among FIs on**
 - **Designing customized financial programs for women entrepreneurs**
 - **Simplification of procedures and document requirements**
 - **Provision of "finance plus" services to women entrepreneurs**
- **Facilitating provision of complementary or supplementary services by CSOs**



SOME ACTION POINTS FOR WLN

- 4. Development of Awards and Recognition for Good Practices on Financing WOE's among Financial Institutions, Private Sector, Government for Least Developed and Developing Countries***



***Muchas gracias!
Maraming salamat!***