

Abstract

Expanding the coverage of financial services for microenterprises and small business through microfinance institutions affiliated with the Women's World Bank Network

With this program, the MIF will grant on commercial terms financing in the amount of US\$8.4 million in renewable lines of credit to eight microfinance institutions affiliated with the Women's World Bank Network, located in Colombia, Bolivia, Brazil, and the Dominican Republic. It will also grant US\$600,000 in nonreimbursable technical assistance to strengthen these organizations institutionally. The executing agencies are Fundación Mundial Banco de la Mujer de Cali, Corporación Mundial de la Mujer de Bogotá, Corporación Mundial de la Mujer de Medellín, Fundación Mundo Mujer de Popayán, Fundación Mundial de la Mujer de Bucaramanga, Fundación Boliviana para el Desarrollo de la Mujer, Banco da Familia, and Banco ADOPEM.

As part of the program, the MIF will also finance jointly with Stichting to Promote Women's World Banking (Stichting-WWB) a technical assistance project for US\$952,000 to support the integration of microfinance into financial systems in Latin America and the Caribbean, attract funds to the industry, promote innovation, and improve the climate for consolidating financial systems that serve the majority of people.

The general objective of this program is to expand the sphere of action of the microfinance executing agencies by mobilizing more resources for the sector so they can be channeled into small economic production units, while forging a more favorable climate for microfinance in the region. Most of the funds will be channeled to enterprises headed by women.

This program provides continuity for projects carried out by the MIF in the past with institutions affiliated with the Women's World Bank Network in Colombia and the Dominican Republic, where the clientele of the participating organizations grew from 6,800 in 1993 to 311,500 in June 2004. This MIF project is intended to spur diversification in the borrowing of these microfinance institutions, helping them to secure additional financing through the issuance of debt on local capital markets and promoting greater integration into local financial markets.