



SIECA
SECRETARÍA DE INTEGRACIÓN
ECONÓMICA CENTROAMERICANA



TECHNICAL NOTE

ACCESS TO FINANCING AS A FUNDAMENTAL ELEMENT

IN CONTRIBUTING TO THE
EMPOWERMENT OF WOMEN IN
INTERNATIONAL AGRIFOOD
TRADE¹

Introduction

Women entrepreneurs and businesswomen are an important component of the economic and social fabric of countries and their communities. Despite this, these women face numerous challenges to build their businesses, with **access to financing** being one of the most significant.

Facilitating businesswomen's access to credit is essential in promoting the growth, stability and survival of their businesses; driving their economic, social and environmental empowerment; creating opportunities that will allow them to engage in international trade; and fostering the pursuit and promotion of gender equality.



The institutional context

Access to credit and financing are tools that enable the development of women in the agrifood sector and their businesses. The Inter-American Institute for Cooperation on Agriculture (IICA) and the Central American Secretariat of Economic Integration (SIECA) have pledged to explore joint actions to facilitate the access of women entrepreneurs in the agrifood sector to financial resources. To this end, they held an initial financial meeting, entitled “Empowering Women in the Agrifood Sector”, in a bid to enable Central American women-led companies in the agrifood sector to engage with programs and local financial institutions that offer opportunities to access the financing required to develop their market strategies and/or business plans. The meeting took place in Guatemala in June of this year, and the expectation is that similar meetings will be organized in other Central American countries during 2024 and 2025.

One of the main aims of this initiative, other than to serve as a bridge between businesswomen and financial institutions, is to foster technical capacity development and knowledge management of the participants with respect to specific trade- and gender-related issues. Financial education is indispensable in enabling women that are not equipped with the necessary knowledge to navigate the world of loans and financing, thereby allowing them to grow, in keeping with their capacities and to access loans that will truly benefit them and facilitate the expansion of their businesses.

A virtual seminar entitled “Driving the Financial Success of Women in Agrifood Trade – Guatemala” was organized as a side event during the financial meeting and on the same day of the meeting there was a training session addressing critical issues related to the functioning of the financial system in Guatemala. The discussions touched on the different types of financial institutions, such as banks, credit unions and non-banking financial institutions, as well as on the regulations of the Superintendency of Banks. The different types of credit facilities available to businesses and their features were explained, including business loans for investment, special lines of credit for micro, small and medium-sized enterprises (MSMEs), loans for female entrepreneurs and specific sectoral lines of credit. Guidelines were also presented on how to seek out and identify the most favorable options.

The standard general requirements to access credit were also covered in detail, such as: guarantees, credit history, financial status and guarantees. The importance of conducting a self-evaluation of one’s ability to pay and fulfilling the legal aspects was also emphasized. Finally, strategies to seek out and explore appropriate funding sources were discussed, depending on the business conditions, including entrepreneurs, registered companies and cooperatives. The participants were also briefed on the documents and resources they would need to prepare to facilitate access to financing.

Arising from this activity, a total of 47 women-led companies in Guatemala were selected to participate in the face-to-face meeting and the virtual meeting. The latter was conducted via the platform of SIECA’s Central American Trade Network, REDCA. The businesswomen had the opportunity to engage with three financial institutions offering credit programs, with a total of 60 meetings held between financial agencies and businesswomen interested in accessing the available credit.

Strengthening businesswomen’s knowledge of finances and credit issues, as well as fostering activities that contribute to facilitating their access to credit, assist them to improve the quality of the services that they offer, providing them with greater opportunities for growth and reinforcing innovation and the diversification of their products, among other results.



The importance of access to credit

The opportunities offered by international trade are infinite. However, much remains to be done in the search for equal conditions. Adequate access to financing will enable businesswomen to invest in different areas to strengthen their businesses, such as infrastructure, technology, staff and the expansion of their operations. This access will translate into greater levels of **growth and market competitiveness**.

Access to financing is crucial for women entrepreneurs who dream of building their businesses and exporting, capitalizing on the benefits of international trade, which will allow them not only to expand, but also to **innovate and to diversify** their products and services, thereby increasing their opportunities and enhancing their presence in national, regional and international markets.

Access to financing for women in the agrifood sector will also yield immense benefits for the society. When women receive the support needed to expand their businesses, this will create a positive impact on **employment and the development** of their communities. These women tend to reinvest in local environments, create work opportunities and improve their economic conditions and those of their communities.

Reducing gender gaps in the agrifood trade sector is essential. Access to financial resources is crucial for the **internationalization and expansion** of women-led businesses in the agrifood sector, given that obtaining credit or accessing other types of financing is a major obstacle for these women, which may limit the development of their companies and their participation at the international level. Thus, initiatives that generate opportunities and that contribute to strengthening women-led businesses in the sector must be implemented.





Conclusions

Initiatives such as the financial meeting “Empowering Women in Agrifood Trade”, organized by IICA and SIECA, demonstrate the commitment of these institutions to facilitate the access of businesswomen in the agrifood sector to financial resources. This type of meeting will not only serve as a bridge between these individuals and financial institutions but will also strengthen the capacities and knowledge of participants, providing indispensable financial education to efficiently navigate the world of loans and financing.

The positive impact of access to financing extends beyond individual businesses, generating ample benefits for society. When businesswomen receive the necessary support, they reinvest their resources in their communities, generating job opportunities and improving economic conditions. Thus, access to credit not only spurs economic growth, but also contributes to community development and the reduction of gender gaps in the agrifood trade sector.

Improving financing for women in the agrifood sector is essential for strengthening economic and social development. Initiatives that facilitate this access, along with financial education and capacity development, are fundamental to ensuring that businesswomen can overcome obstacles, innovate, diversify their products, participate fully in international trade, and based on the above, drive inclusive and equitable development in their communities.



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