

# Women for Social Inclusion Program in Bolivia

**Women have historically faced additional challenges in seeking financing for business ventures, due to gender biases, cultural barriers and unfavorable power structures.**

Giving women entrepreneurs access to financing promotes their economic autonomy and their capacity for decision-making about their own lives. This not only benefits women individually, but also has a positive effect on their families and communities, inasmuch as women have been shown to reinvest a larger percentage of their income in the wellbeing of their families and on their children's education.

Banco de Desarrollo Productivo (BDP) of Bolivia established the BDP Women's Program in the framework of the Domitila Barrios Economic Autonomy Program[1] in May of 2022 as an integral proposal for strengthening Bolivian women producers. The BDP Women's Program was created and executed to facilitate women's access to the benefits of development by applying financial inclusion[2] and women's empowerment strategies.

The key aim of the program is to reinforce production initiatives of Bolivian women by granting loans with grace periods and low interest rates, accompanied by advisory and technical assistance to upgrade personal skills, productive capacities and business management. And, in turn, to promote venues for dialogue that will make it possible to identify Bolivian women's need to improve their access to financial services for production, entrepreneurial development and the entrepreneurial culture; identify the barriers impeding women's access to financial services, particularly those that are most vulnerable; identify the use, quality and wellbeing of financial services by Bolivian women; and develop a package of tools conducive to the empowerment of women with training, technical assistance and access to credit.

Table n.° 1 : COMPONENTS OF THE BDP WOMEN'S PROGRAM

| Household Head | Seed Woman |
|---|---|
| Credit for women who already have a business underway and who require financing for their production unit at a preferential rate and with access to training.<br>▪ **Interest rates:** microenterprise 10%, small enterprise 7%, medium and large enterprise 6%.<br>▪ **Terms:** up to 3 years for operating capital and up to 10 years for investment capital.<br>▪ **Amount:** in accordance with the payment capacity<br>▪ **Training:** on issues of sales in social networks, brand design, participation in fairs and events and developing business and leadership capacity. | Only seed credit in the country for women wishing to start up their business idea, after advisory assistance from expert mentors who help them prepare their business plan and train them in the development of soft and business venture leadership skills. The «Seed Woman» program enables women to start up business ventures in the manufacturing, agricultural, tourism and intellectual property sectors. The loan also finances technical or professional business ventures.<br>▪ **Interest rate:** production activities 7 %, service activities 11.5 %<br>▪ **Term:** up to 7 years for investment capital and up to 1 year for operating capital.<br>▪ **Amount:** up to UFV[3] 250,000 for production activities and up to UFV 100,000 for service activities<br>▪ **Training:** for consolidation of the business idea with specialized mentors, guidance in preparing the business plan, sales and marketing strategies and development of entrepreneurial and leadership capacities. |

Table n.° 2 : BDP WOMEN'S PROGRAM LOANS DISBURSED (IN AMOUNTS AND IN MILLIONS)

| Household Head | | | Seed Woman | | | Total | | |
|---|---|---|---|---|---|---|---|---|
| Amount | Disbursement | | Amount | Disbursement | | Amount | Disbursement | |
| | Bs | US$ | | Bs | US$ | | Bs | US$ |
| 8 503 | 442 | 64 | 759 | 99 | 14,3 | 9 269 | 542 | 78,5 |

The BDP Women's Program envisions two components: « Household Head » and «Seed Woman.» The former is intended for women that already have a business underway and require financing to strengthen their production unit, and the latter credit is for women who want to start up their business idea.

Over the period from 2022 to February 2024, the program was able to finance 9,269 women entrepreneurs, with a disbursement of Bs541,723,701 (US$78.5 million), 81.5% having been allocated through the «Household Head» component. Some 92% of the financing was allotted by the entrepreneurs to capital investment and 8% to operating capital.

The program funding balance at the close of February 2024 was Bs442,527,907 (US$64.1 million), of which 58.5 % was allocated to farming and animal husbandry; manufacturing also received a large percentage --26.7% of the total-- under the BDP Women's Program.

A nationwide breakdown shows that the department of Cochabamba received the largest share, with 26.9% of the total, followed by La Paz, with 21.4%; the two departments accounted for almost 50% of the funding allocated to the BDP Women's Program.

In addition to its financial support, the BDP Women's Program also provides technical monitoring to improve the soft skills



Fuente: BDP



Fuente: Adobe stock

**Figure n.° 1:** DISTRIBUTION OF THE FUNDING FOR THE BDP WOMEN'S PROGRAM, BY SECTOR

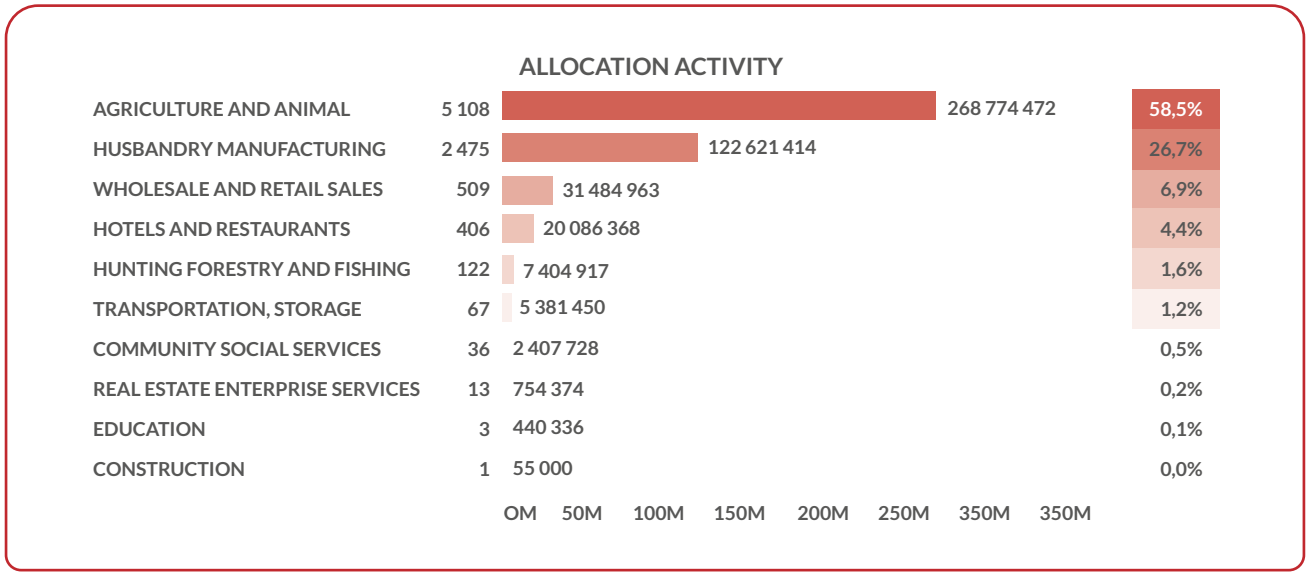
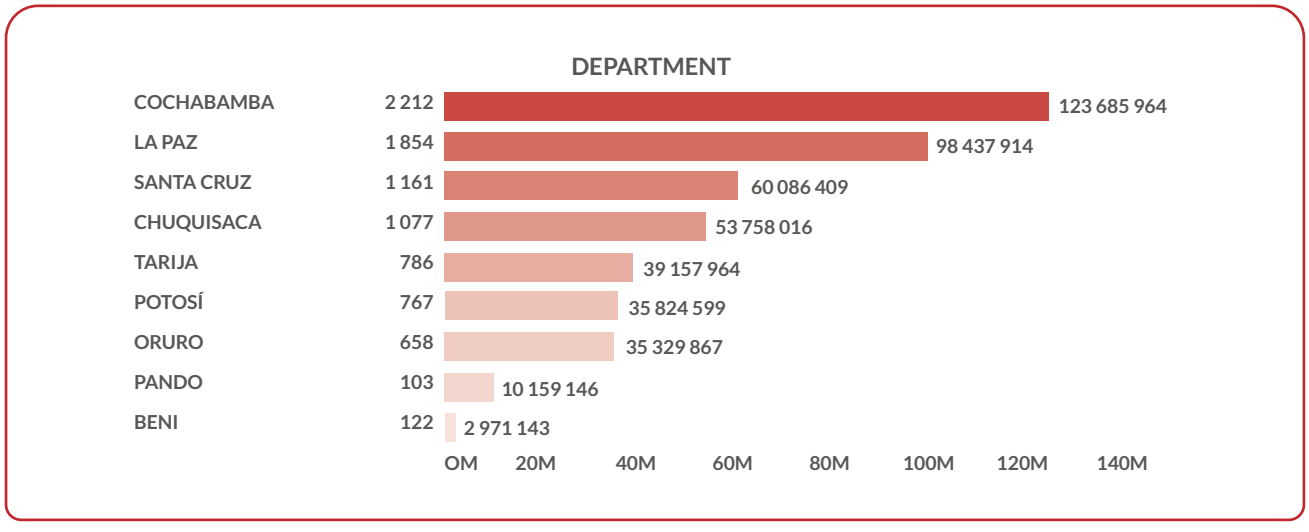



**Figure n.° 2:** DISTRIBUTION OF THE FUNDING ALLOCATED TO THE BDP WOMEN'S PROGRAM, BY DEPARTMENTS




and the production and business management capacities of businesswomen and women entrepreneurs.

Technical assistance-wise, at February of 2024, BDP had benefitted 13,946 women with specialized training and 26,026 women with generic training. Likewise, 2,495 women were mentored in the preparation of business plans, with the result that 1,559 women were able to receive financing for starting up their businesses. BDP disbursed a total of Bs41.6 million (US$6 million) for this purpose, showing itself to be Bolivia's only development bank that contributes to the development of the financial ecosystem by means of a financial solution offered to and targeting a population segment suffering economic shortages and gaps in gender and financial inclusion.

1 The Domitila Barrios Program of Economic Autonomy is an initiative of the government of the Plurinational State of Bolivia, created in the framework of the «Year of the Cultural Revolution for Dismantling Patriarchy with a Life Free from Violence against Women » (2022).

2 The financial inclusion refers to the access by people and enterprises to a variety of useful and affordable financial products and services that satisfy their needs --like payments and transfers, savings, insurance and credit-- and that are provided in a reasonable and sustainable way (World Bank, 2018).

3 UFV: The Unidad de Fomento de Vivienda (Housing Promotion Unit) is a unit of account readjusted for inflation used in Bolivia. Created by Supreme Decree 26390 of November 8, 2001 and in effect since December 7 of that year.

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