Guarantees That Pave the Way for Entrepreneurial Ventures[1]

Guarantees hold considerable potential to make small and medium-sized ventures viable and contribute to the income and job creation that the region urgently needs.

Entrepreneurs in Ecuador and across Latin America and the Caribbean face significant challenges in turning an idea into a sustainable business. In an economic environment exposed to unexpected changes, thousands of ventures must contend with tighter margins, limited budgets, and the risk of failing to survive their first few years. These difficulties are compounded by barriers to traditional financing: a limited credit history, insufficient assets to pledge as collateral, or requirements that can be difficult to meet.

Against this backdrop, access to a guarantee can make a decisive difference. Ecuador's Fondo Nacional de Garantías (FNG) is a service provided by Corporación Financiera Nacional B.P. (CFN B.P.) that issues partial guarantees to secure credit obligations. Its purpose is to facilitate access to productive financing through the National Financial System, particularly for entrepreneurs seeking credit.

In Quito, for example, Cristina Collaguazo and Ibrahim Dib established Panasutra with the ambition of consolidating and sustainably expanding a small business combining a bakery, pastry shop, and coffee shop. The young couple needed a larger credit facility to take their venture forward but lacked the collateral required to obtain it.



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Another small enterprise faced a similar situation: Chicken Corp, in Guayaquil. The company, which processes and markets meat products, needed cold-storage facilities and improvements to its warehouses to strengthen its production system. In both cases, partial guarantees provided the backing needed for the credit operations, enabling the businesses to embark on a new stage of development.

Rather than replacing financial institutions, this mechanism shares the risk of lending operations and creates more favorable conditions for banks participating in the FNG to channel

credit toward productive activities. Through this instrument, CFN B.P. helps bring the financial system closer to enterprises with viable projects and a clear determination to grow.

Between January 1 and July 31, 2026, the Fund recorded 783 operations nationwide. During this period, it issued partial guarantees totaling US$53.96 million, helping mobilize US$107.79 million in private capital for micro-, small and medium-sized enterprises (MSMEs).

Behind these figures are tangible stories of growth and inclusion. The guarantees supported 308 women-led projects, 176 lending operations for business owners accessing credit for the first time, 179 operations involving first-time entrepreneurs, and 45 youth-led initiatives. Support also extended to projects incorporating multicultural dimensions and climate change mitigation.

The reach of these operations is reflected in the diversity of sectors served: trade, fisheries and aquaculture, services, manufacturing, agriculture and livestock, transport and storage, construction, information and communications, and tourism, among others. This coverage channels financing to activities that stimulate local economies and create opportunities in different parts of the country.

With the support of multilateral organizations and through partnerships with financial institutions, the Fund has expanded its reach across Ecuador, including operations in the Amazon region. Its operating model links participating financial institutions, CFN B.P.'s FNG, and clients through the guarantee mechanism, with the aim of fostering a sound, efficient, and sustainable guarantee system.

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In the first quarter of 2026, the FNG maintained its 'AAA-' risk rating, assigned by BankWatch Ratings S.A. This rating, in the highest category of the financial institution risk ratings published by Ecuador's Superintendency of Banks, attests to the soundness of the Fund's management and reinforces the confidence it inspires among its financial partners and beneficiaries.

Panasutra and Chicken Corp are just two of the more than 700 projects that have benefited. Their experiences show that a lack of conventional collateral or an as-yet limited credit history need not stand in the way of a promising business initiative.

In this way, CFN B.P.'s guarantee instrument serves as a bridge between productive projects and financing opportunities. Businesses founded with a vision for growth can expand, create jobs, stimulate local economies, and demonstrate that, with the right backing, entrepreneurial potential can translate into tangible outcomes for individuals, their communities, and the country.

1. This article was contributed by Ecuador's Corporación Financiera Nacional B.P. (CFN B.P.), which administers the National Guarantee Fund (FNG).

