BL: Project to Support Small and Medium Enterprises in Guatemala

Contributing to Guatemala's economic growth and job creation through financial inclusion of women entrepreneurs and SMEs

Project Description

This project aims to support improved access to finance for SMEs and WSMEs in Guatemala by providing a loan to Banco Industrial ("BI"), a local Guatemalan bank, thus contributing to the country's economic growth and job creation, in alignment with the challenges faced by the sector and the policy priorities of the Government of Guatemala.

Key Points of the Project

1. Financial Access to SMEs & WSMEs

SMEs are a vital part of the country's economy and play a key role in providing stable employment. However, due to perceived risks, their access to finance remains limited. The resulting financing gap is substantial, amounting to approximately USD 15 billion, or around 15% of the country's GDP (USD 95 billion). This project aims to improve financial access for SMEs across Guatemala by providing a loan to BI, a financial institution actively engaged in expanding lending to SMEs nationwide.

2. Gender Equality

In line with the "2X Challenge: Financing for Women" initiative of the G7 development finance institutions, at least 30% of the loan amount will be provided to WSMEs, thereby supporting the further advancement of women's business activities in the country.

3. The 90th anniversary of the establishment of diplomatic relations between Japan and Guatemala, and the "Japan-Central America Exchange Year."

In 2025, Japan and the countries of the Central American Integration System (SICA) are carrying out cooperative and exchange initiatives in the fields of politics, economy, and culture. This project is positioned as one such initiative.

Lender

JICA, IFC, FinDev Canada

↓ Loan

Borrower

BI Banco Industrial

↓ Loan

Sub-borrowers

Guatemalan furniture company, one of the WSMEs financed by BI