

Partner Profile: Fondo Esperanza



Despite Chile's advances in expanding access to financial services, more than a quarter of Chilean microenterprises still face difficulty accessing financing in times of need,¹ and female and low-income microentrepreneurs are disproportionately excluded.² Many Chileans also experience financial insecurity, with surveys indicating that nearly half the population feels unsure about how they would cover their basic needs in the event of lost income.¹

Fondo Esperanza SpA is a Chilean microfinance institution within Global Partnerships' Women-Centered Finance with Education initiative.³

WHO IS SERVED:

Fondo Esperanza serves more than 100,000 clients, with a focus on low-income female micro-entrepreneurs.⁴ 79 percent of Fondo Esperanza's clients are female, and the organization also serves other systemically excluded populations, such as migrants and incarcerated individuals.

WHAT IS DELIVERED:

Fondo Esperanza provides microloans to support clients' income-generating activities, primarily through the group lending methodology via community banks of approximately 15 people. These financial services are accompanied by a robust education program focused on financial literacy, women's empowerment, family well-being, and business development.

WHY IT IS IMPACTFUL:

Access to working capital loans and related education enable Fondo Esperanza's clients to make more informed decisions, better deal with economic shocks, and invest in income-generating activities. Access to these services can empower women and enhance the economic resilience of households living in poverty.

1. "5 Reasons Small Merchants Aren't Using Financial Services in Chile," Accion Center for Financial Inclusion, January 8, 2019, <https://www.centerforfinancialinclusion.org/5-reasons-small-merchants-arent-using-financial-services-in-chile>.

2. "The Global Findex Database," The World Bank, 2017, <https://globalfindex.worldbank.org/>.

3. Fondo Esperanza was a current borrower of Global Partnerships Social Investment Fund 5.0, LLC as of December 31, 2021.

4. Fondo Esperanza client data represents current clients as of December 31, 2021.