

IFC invests \$50m in the first gender bond issued by Banco Pichincha

IFC, a member of the World Bank Group, has invested \$50m in the issuance of the first social gender bond made by Banco Pichincha in the Ecuadorian stock market.



Source: [Supplied](#).

The bond principal, along with another \$50m of investment made by the Inter-American Development Bank (IDB), amounts to \$100m and has a term of five years.

The bond proceeds will facilitate the financing of more than 10,000 women who own or lead small and medium-sized enterprises (SMEs) in Ecuador, which will allow them to increase their productivity and precipitate the economic development of the country.

The Women Entrepreneurs Finance Initiative (We-Fi) and the Women Entrepreneurs Opportunity Facility (WEOF) will provide additional financial support in the form of performance-based incentives to extend the bond's reach to underserved women-owned/led SMEs.

WEOF is an initiative launched by IFC — in partnership with the Goldman Sachs Foundation — to help expand access to capital for women entrepreneurs in developing countries and demonstrate the commercial viability of investing in women.

"We are pioneers in Ecuador in this type of operation, leading the way for other similar transactions that favour financial inclusion and promote the empowerment of women entrepreneurs," said Santiago Bayas, general manager of Banco Pichincha.

Martin Spicer, IFC director for the Latin American and Caribbean region, stated: "IFC supports Banco Pichincha in integrating a gender approach in its SME operations to finance businesses led by women, through advisory services and participating in their first gender bond. This collaboration will help Banco Pichincha position itself as a regional benchmark to follow in terms of gender. We are proud of this joint effort with Banco Pichincha, as it reaffirms our commitment to equity and inclusion."



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"We need to support female entrepreneurs through access to capital in order to facilitate their growth, particularly given the impact of Covid-19.", said Charlotte Keenan, global director of Goldman Sachs 10,000 Women. "We are pleased to continue to support the Banco Pichincha as it expands lending to women-owned businesses in Ecuador."

Since 2017, IFC has supported Pichincha with advisory services to help it become a regional benchmark for SMEs in gender financing. IFC will continue to strengthen Pichincha's efforts to include gender issues and the digital perspective in agribusiness value chains that have the greatest potential to integrate women and close the gender gap in financial inclusion.

Banco Pichincha was the first signatory in Ecuador of the United Nations Global Compact in 2012, and the first company to sign the UN Women Empowerment Principles in 2015. This operation with IFC reinforces its position as a socially responsible bank that contributes to the fulfillment of the Sustainable Development Goals (SDG).

IFC has invested more than \$3.18bn in financial institutions in emerging markets to finance specifically women-owned SMEs. The Latin American and Caribbean region represents a little over a third of the global portfolio with \$1.23bn dedicated to women-owned SMEs.

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