Financial technology to support credit scoring and expand SMEs' access to credit

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE · **10 REDUCED INEQUALITIES** · **8 DECENT WORK AND ECONOMIC GROWTH**

Emerging financial technology to take advantage of alternative information to support credit scoring and expand SMEs' access to credit.
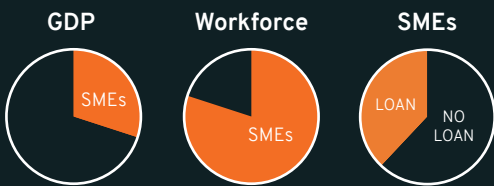
GEOGRAPHY

Colombia

Boyaca, Antioquia, Bolivar, Norte de Santander, Narino, Cundinamarca, Atlantico, Valle del Cauca, Tolima, Santander.

NEED CASE

2.5M SMEs (90% of existing companies), produce 30% of GDP and employ more than 80% of the workforce.

GDP
SMEs

Workforce
SMEs

SMEs
LOAN / NO LOAN

50% of SMEs fail after the first year and only 20% survive their 3rd because 62% do not have access to loans. Barriers include lack of collateral, documentation, credit history, etc.

Surviving SMEs · Fail after 1st year · Fail after 2nd year

POTENTIAL IMPACT

Improving SMEs' access to finance would increase productivity by 8%-9%, improve competitiveness and create jobs.

SDG Indicators

9.3.1. proportion of small-scale industries in total industry value added.

9.3.2. proportion of small-scale industries with a loan or line of credit.

BENEFICIARY

2.5M SMEs in Colombia.

15.4M of Colombians working in SMEs.

FINANCIALS
Consumer Finance

RETURN PROFILE

14-18%

annual return on investment for investors that use crowdfunding platforms in LatAm.

MARKET SIZE

$17 billion

alternative financing market in Colombia.

TIMEFRAME

Medium term (4-5 years)

PARTNERS

La Comisión Intersectorial para la Inclusión Financiera and MinTic will define a roadmap for **leveraging** new technologies.

Sempli, Finaktiva and other VC backed alternative finance platforms are giving out credits from US $ 7 M and US $ 100M to SMEs that didn't have access to finance befor**e.**

Companies such as Lisim anticipate the behavior of current and potential clients, in order to reduce the risk and uncertainty involved in the client (non-payment, fraud, desertion, etc.).

SMEs
NO LOAN · LOAN

Learn more Access additional data about the enabling environment, risk factors, users & beneficiaries, and externalities in the Colombia SDG Investor Map dataset.