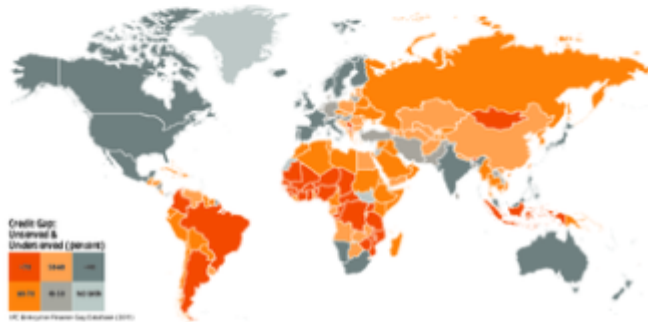




Financial access is critical for the growth of small and medium-size enterprises (SMEs). It allows entrepreneurs to innovate, improve efficiency, expand to new markets, and provide millions of jobs. Yet, in developing countries, the majority of SMEs are unable to acquire the financing they need to reach their potential. Financing SMEs in the developing world can be risky and expensive for lenders, leading to an **estimated financing gap of one trillion USD** (International Finance Corporation, 2011).

To reduce the credit gap, financial institutions, governments, and donors invest in lending products and policies designed to provide SMEs with the financing they need to grow and innovate. However, the extent to which such programs effectively reduce the barriers to SME financing has generally not been rigorously measured. **The SME Program at Innovations for Poverty Action (IPA) rigorously evaluates potential solutions and promotes the most efficient and cost-effective ways to expand access to finance for SMEs.**

#### THE SME CREDIT GAP



## Access to Finance for Small and Medium Enterprises

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*Lea la version en español [aquí](#).*

November 17, 2015