



# **FINANCE FOR ALL WOMEN**

## **Innovative Experiences and Initiatives for Women's Financial Inclusion and Recovery with Gender Lenses in Latin America**

LATIN AMERICA AND THE CARIBBEAN

GUIDANCE DOCUMENT

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## FINANCE FOR ALL WOMEN

### Innovative Experiences and Initiatives for Women's Financial Inclusion and Recovery with Gender Lenses in Latin America

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**Quote** UN Women (2021), *Finance for all women. Innovative experiences and initiatives for women's financial inclusion and recovery with gender lenses in Latin America. Latin America and the Caribbean.*

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# Acronyms

<b>AICS</b>	Italian Agency for Development Cooperation
<b>BANDESAL</b>	<i>Banco de Desarrollo de El Salvador</i> (Development Bank of El Salvador)
<b>BIVA</b>	<i>Bolsa Institucional de Valores de México</i> (Mexico Institutional Stock Exchange)
<b>CABEI</b>	Central American Bank for Economic Integration
<b>CAF</b>	<i>Corporación Andina de Fomento</i> (Andean Development Corporation)
<b>CAM</b>	<i>Centro de Atención Microempresas</i> (Support Center for Microenterprises)
<b>CENPROMYPE</b>	<i>Centro Regional para la Promoción de la MIPYME</i> (Regional Center for the Promotion of MSMEs)
<b>CNBV</b>	<i>Comisión Nacional Bancaria y de Valores</i> (National Banking and Securities Commission)
<b>DBS</b>	Development Bank System
<b>ECLAC</b>	Economic Commission for Latin America and the Caribbean
<b>EIU</b>	Economist Intelligence Unit
<b>ESG</b>	Environmental, Social and Governance
<b>FAW</b>	Financial Alliance for Women
<b>FEM</b>	<i>Financiamiento Empresarial para Mujeres</i> (Entrepreneurial Financing for Women)
<b>FI</b>	Financial Institution
<b>FMO</b>	Entrepreneurial Development Bank

<b>FOMIN</b>	<i>Fondo Multilateral de Inversiones</i> (Multilateral Investment Fund)
<b>FS</b>	Financial services
<b>IDB</b>	Inter-American Development Bank
<b>ICMA</b>	International Capital Markets Association
<b>IFC</b>	International Finance Corporation
<b>ILO</b>	International Labor Organization
<b>IMF</b>	International Monetary Fund
<b>INAMU</b>	<i>Instituto Nacional de la Mujer</i> (National Women's Institute)
<b>LA</b>	Latin America
<b>LAC</b>	Latin America and the Caribbean
<b>MSMEs</b>	Micro, small and medium-sized enterprises
<b>NFS</b>	Non-financial services
<b>OECD</b>	Organization for Economic Development and Cooperation
<b>PRAEM</b>	<i>Programa Regional de Financiamiento para Mujeres Empresarias</i> (Regional Financing Programme for Women Entrepreneurs)
<b>SICA</b>	<i>Sistema de Integración Centroamericano</i> (Central American Integration System)
<b>SUGEF</b>	<i>Superintendencia General de Entidades Financieras</i> (General Superintendency of Financial Entities)
<b>UN</b>	United Nations Organization
<b>UNDP</b>	United Nations Development Programme

<b>WB</b>	World Bank
<b>WEB</b>	Women Entrepreneurship Banking
<b>MELYT</b>	<i>Mujeres, Economía Local y Territorios – MELYT</i> (Women, Local Economy, and Territories)

# Executive summary

The objective of this report, which was developed within the context of the Women, Local Economy and Territories Programme (MELYT), implemented by UN Women, the United Nations Agency dedicated to gender equality and the empowerment of women, and the Italian Agency for Development Cooperation (AICS), is to highlight experiences and innovative initiatives to promote the financial inclusion of women and women entrepreneurs in Latin America.

To this end, **financial inclusion with a gender perspective** is understood as the process through which public and private initiatives are designed and implemented to reduce women's access barriers to financial products and services so they can achieve their financial autonomy and deal with crises that affect their lives and their businesses. This process should allow women to achieve their financial health. In this regard, women's financial management must help them transform the way they perceive themselves in relation to the world of work and money and how they are perceived and recognized by others.

This conception of financial inclusion with a gender perspective and the use of **transformative finances** relies on the conviction that, in order to produce changes towards the inclusion of women, it is necessary to work at the level of the ecosystem. In other words, success does not depend on a single financial instrument but on a set of actions that allow that instrument to transform the dynamics of exclusion, which should not only be understood from a gender perspective but also from an intersectionality approach. These actions can translate into customized products that include financial and non-financial services –such as training, networking, advice, knowledge-sharing platforms, health services, etc.– to catalyze changes in women, their businesses, and the stakeholders of the financial system and, therefore, in their dynamics, policies, regulations and organizational cultures.

With this reference framework in mind, the report set out to identify and analyze those initiatives that have implemented good practices, including financial capacity building processes to increase women's financial autonomy. The report includes a review of existing financial programmes and instruments designed to reverse the dynamics of exclusion and focusing on ensuring access and use of services that allow women to overcome limitations and improve their livelihoods and circumstances.

Through an analysis of these initiatives, the study shows how the **financial ecosystem is addressing the need for innovations to ensure women's financial inclusion**. This is



due to several reasons: first, because women's participation in the financial sector is directly linked to their participation in the productive economy—which has historically been relegated to less productive sectors, small businesses, and informality— and is highly limited by the excessive burden of unpaid work they bear, a situation that also limits their possibility of growth and economic independence; second, because the impact of COVID-19 has been disproportionate on women, particularly on the most vulnerable women. In fact, numerous studies (UN Women, 2020; ECLAC, 2021, among others) demonstrate the pandemic has exacerbated inequalities and posed a threat to the autonomy of women, mainly in four areas: economic inequality and poverty, with a significant negative impact on employment levels and their business undertakings; the sexual division of labor, which led to a disproportionate increase in the time women dedicate to care tasks; the concentration of power, and patriarchal cultural patterns that have led to increasing levels of violence against women and their political participation (ONU, 2020). Therefore, it will be impossible to build an effective response to this crisis if we fail to address its differentiated impacts on women and consider the gender dynamics in the response. Third, reversing an exclusive financial system requires coordinated actions by all the stakeholders of the financial ecosystem (multilateral and development banks, governments, public and private banks, etc.) to address the multiple challenges that limit women's access to financial products and services. For all these reasons, **affirmative and comprehensive actions are required in order to increase the financial inclusion of both unbanked women and those women who, despite being banked, have little access to credit and other financial products or are limited to fledgling entrepreneurship and, therefore, are unable to grow their businesses.**

The next section of the study describes the **elements necessary to assess the transformative capacity of initiatives to promote women's financial inclusion.** One of these elements is a reference framework to analyze the potential transformative actions to consider upon evaluating and/or designing initiatives for the financial inclusion of women and women entrepreneurs in 4 dimensions: 1) the **definition of a tailored value proposition** for the profile of women the initiative seeks to serve; 2) the **design of an integrated offer of financial and non-financial services** that guarantee access and use of the financial product, taking into account the life cycle of women and their businesses, with procedures and requirements consistent with the profile of women and access, information and communication channels to integrate the service offer; 3) an **institutional alignment** to ensure the initiative has the institutional capacities required to design the value proposition and reach women successfully. This requires a process of innovation and changes in the institution's organizational culture to increase access by women, particularly those who do not have a relationship with commercial banks, and 4) the **incorporation of measurements of the sustainability of initiatives** to keep track of the profit margin of tailored products, as well as access and use of those products. This should be

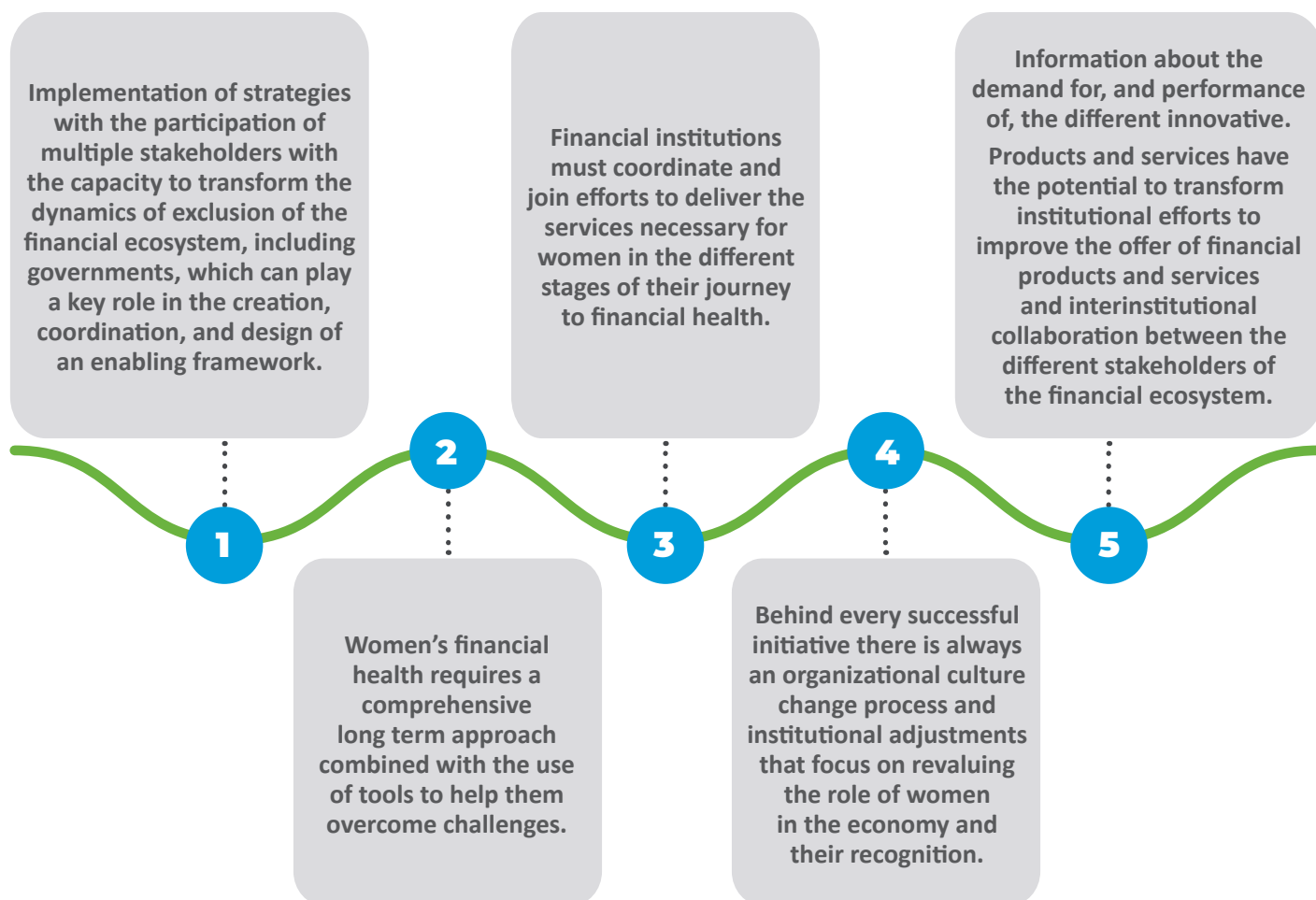
combined with the development of indicators to track changes in the lives and businesses of women to ensure financing programmes with a gender perspective are well oriented and have a positive impact on the trajectories of women.

In the next section, based on the different experiences analyzed, the study highlights **the main achievements made in the financial inclusion of women at the base of the pyramid in different countries in the region.** First, the study points to the consensus reached around the need to design products and services for women that break the logic of exclusion from the current financial system. Second, these experiences show that achieving women's financial inclusion requires a comprehensive offer of financial and non-financial products and services designed to increase women's participation in the economy and reduce their levels of vulnerability. Third, several of the experiences described have taken the challenge of offering products and services that allow women to shift from a reproductive to a productive logic by building their financial and management capacities so they can transform their fledgling small businesses and make them grow. Fourth, some initiatives have established strategic partnerships with different stakeholders of the financial system with the aim of ensuring access to capital, financial services, and other resources to promote the good use and leveraging of those services. Fifth, gender stereotypes and unconscious biases within the different institutions of the financial system have been identified and recognized, and measures to address them have been taken. Finally, resources have been allocated to data collection and management at different levels to inform the coordinated actions of multiple stakeholders of the system.

In the LAC region, there are two trends on the horizon that can accelerate the process of women's financial inclusion and improve their financial health. The first is that of **increasing levels of access through the use of digital platforms and fintechs**, and the second is that of **expanding the comprehensive offer of non-financial services**. These two lines of action, which can be followed simultaneously or independently, can help increase the number of women linked to the financial system, as well as the use of, and level of satisfaction with, products and services, in addition to reducing their levels of vulnerability. All this can influence the development of a critical mass of women entrepreneurs who can receive assistance to grow their business through more complex financial services and products and investment opportunities.

Finally, the report presents a series of recommendations for the different stakeholders of the ecosystem to promote women's financial inclusion: governments and public entities responsible for development financing and promotion, production and SMEs; gender and governance institutions; development and commercial banks; other private sector institutions (corporations and company-sponsored foundations, boards of trade, professional associations, etc.) and capacity-building organizations.

## MAIN ELEMENTS TO CONSIDER IN INITIATIVES AND PRACTICES FOR THE CREATION OF MORE INCLUSIVE FINANCIAL ECOSYSTEMS



# Presentation

The gender gap in financial services (FS) and products in Latin America and the Caribbean (LAC) is wide. According to the World Bank (WB), only 49% of women have a bank account, 11% save, and 10% have access to loans. In some countries in the region, gender gaps in financial capacities can also be found, as it has been shown that women have less financial knowledge and riskier financial behaviors compared to men (Azar et al., 2018).

In this context, the Women, Local Economy and Territories Programme (MELYT), implemented by UN Women, the United Nations Agency dedicated to gender equality and the empowerment of women, and the Italian Agency for Development Cooperation (AICS), presents the results of this study, which is aimed at identifying the main experiences and initiatives to promote women's financial inclusion implemented in Latin America. The document analyzes these experiences by identifying areas of progress, gaps, and common challenges and proposes lines of action and recommendations to facilitate a policy dialogue with key stakeholders from governments and civil society to increase financial inclusion in the region. Thus, this study is expected to contribute to the technical assistance work done in countries in the region and, in particular, in the countries that make up the Central American Integration System (SICA) and receive support from the MELYT programme in the areas of financial inclusion and promotion of women's economic autonomy.

The document includes a review of initiatives in the LA region and current trends in the design and implementation of financial products for women, good practices followed by financial institutions (FIs) to promote financial inclusion, and actions to support micro, small and medium-sized enterprises (MSMEs), with the objective of developing successful parameters for actions with a focus on including those women who are not part of the system, supporting those who are and providing assistance to women entrepreneurs and their businesses so they can turn their micro enterprises into small and medium-sized enterprises (SMEs). To this end, the study has identified a series of financial programmes and instruments to promote the financial inclusion of both unbanked women and women who, despite being banked, have little access to credit and other financial products or are limited to fledgling entrepreneurship and, therefore, are unable to grow their businesses.

Thus, *Finance for all Women. Innovative Experiences and Initiatives for Women's Financial Inclusion and Recovery with Gender Lenses in Latin America* is targeted to all the different stakeholders of the financial ecosystem, such as private and public banks, intermediary financial institutions, regulators, government agencies, etc., that operate programmes to promote the economic autonomy of women and women entrepreneurs, national

and international development financial institutions, multilateral development banks, local and international non government organizations, and organizations driving transformations in the sector –training organizations, accelerators and incubators, entrepreneurial networks, and organizations developing digital financial inclusion solutions, among others. All of them are an essential part of the financial ecosystem, with unique roles and opportunities to achieve a transformation and increase the financial inclusion of women.

This publication aims to provide a Latin American perspective of the challenges faced by the financial ecosystem and its possibilities of change, in addition to encouraging the different stakeholders to continue to take firm steps towards women's financial inclusion as a driver of their economic autonomy and empowerment and a key element to increase their integration into the productive ecosystem to accelerate the economic and social recovery process and overcoming the post-COVID-19 crisis.



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# SECTION I

# I. Why a report on financial inclusion in times of COVID-19?

The impact of the COVID-19 pandemic is already clear. It has not only exposed countless gaps in the current health, economic and social system but has also exacerbated systemic vulnerabilities of exclusion. Women have unequal access to productive resources and labor market opportunities, a situation that also excludes them from the financial system and limits their choices to counteract the shocks they, their households, communities, survival strategies, and businesses can experience.

Women account for 42% of the workforce in LAC (WB, 2021a), and 56.9% of women in Latin America and 54.3% of women in the Caribbean are employed in sectors where a more significant negative impact is expected on employment and income generation, especially in areas such as tourism, manufacturing, wholesale and retail trade, health and education (ECLAC, 2021). Before the pandemic, the percentage of women working in the informal sector was higher compared to men (54.3% vs. 52%), especially in Central America, where the informal employment rate for women is 61.8%, compared to 55.6% for men (ILO, 2018). During the pandemic, the loss of informal jobs was even higher due to a significant contraction of employment in sectors hit hard by the crisis (tourism, domestic work), where a high rate of informal work is combined with the feminization of occupations (OIT, 2021).

The COVID-19 pandemic will also have a negative impact on micro enterprises. According to the Economic Commission for Latin America and the Caribbean (ECLAC), it is projected that approximately 2.7 million formal micro enterprises will close in the region (ECLAC, 2020), considering they are a vulnerable segment

with low-profit margins. This further complicates the situation of women-owned micro enterprises, which are concentrated in the segment of MSMEs (the most vulnerable to the crisis), are overrepresented in the sectors with the highest risks, and have limited access to financing (ECLAC, 2021).

This situation is particularly critical for low-income groups of women known as women at the base of the pyramid, who experience a series of vulnerabilities determined not only by their socioeconomic condition but also by their race, area of residence –rural or urban working-class neighborhoods– and other factors that define their identity in an intersectional manner. This condemns them to hold low-skilled jobs, join the informal market, own fledgling and precarious businesses, and more limited access to education and technology. For these women, access to quality financial and non-financial services represents an opportunity not only for their personal transformation, but also for the transformation of their families and the reactivation of local economies. This potential for transformation is also important for the sustainable operation of the financial system. The progressive banking of women –which picked up during the pandemic as a result of welfare policies– contributes to the growth of the financial market, which is making inroads into new segments, including that of women-led MSMEs, which can lead to a more sustainable system as a whole.

This report is based on a broad literature review and an analysis of interviews and materials shared by the different FIs interviewed. To cover a more significant number of experiences, the study systematized the

different practices and lessons learned shared and then selected a series of successful initiatives to interview the persons responsible for them. One of the main criteria to narrow down and select these initiatives was their capacity to include women at the base of the pyramid and micro and small women entrepreneurs, an unbanked or underserved population sector. And it also conducted a comparative analysis of the different experiences and good practices to draw our conclusions. The analysis of initiatives included a systematization card system to gather information on key dimensions and identify the capacity of initiatives to increase inclusion levels. A total of 15 experts were interviewed (the list of persons interviewed can be found in Annex II), including staff from UN Women's country offices and individuals involved in the different initiatives.

The document is divided into five sections. The introduction to the context of reference for this report is followed by another section that provides a description of the analytical and conceptual framework that guided the analysis. The second section describes the rationale for the need to implement affirmative actions to reduce inclusion gaps. The third section describes the elements required to determine the quality of financial products for women. The fourth section includes an analysis of success stories on the financial inclusion of women at the base of the pyramid. It also describes outstanding challenges and good practices identified. The last two sections include our main conclusions and a call to action to increase women's financial inclusion, improve their financial health and reduce their exposure to crises.



## SECTION II

## II. Conceptual and analytical framework

### II.1 Financial inclusion with a gender perspective

Leading institutions such as the World Bank (WB, 2018a), the Center for Financial Inclusion (Global Banking Alliance for Women, 2016), the Economic Commission for Latin America and the Caribbean (ECLAC, 2016), and the Partnership for Financial Inclusion (UNDP, 2020b) have pointed to a series of key elements to consider for the definition of **financial inclusion**:

- Ensure **access to useful and affordable products and services**.
- Services and products **delivered responsibly and sustainably**.
- Quality products and services are **adapted to the characteristics of the most disadvantaged groups**.
- Products and services are designed to **meet the needs and improve the quality of life** of families and the operation of businesses.
- Their use should have a **positive impact on women's lives** and should not only seek to expand their portfolios by increasing women's access to bank services.

For purposes of this report, financial inclusion is defined as:

**The process by means of which public and private initiatives developed by FIs, as well as other organizations in the financial ecosystem, ensure access and use of financial products and services that generate economic growth and reduce the vulnerability of their customers.**

However, it is important to note that not all financial inclusion processes necessarily incorporate a gender

perspective; in fact, the study often finds inclusion strategies that fail to recognize the particularities of the different groups of women in their target population. This can limit their access and use of the products and benefits that financial inclusion can bring to their lives.

#### FINANCIAL INCLUSION WITH A GENDER PERSPECTIVE

##### **Financial inclusion with a gender perspective**

is the process by means of which public and private initiatives are designed and implemented to reduce women's access barriers to financial products and services so they can achieve their financial autonomy and deal with crises that affect their lives and their businesses.

*The process of financial inclusion with a gender perspective must allow women to achieve their financial health. In this regard, women's financial management must involve a transformation in the way they perceive themselves in relation to the world of work and money and how they are perceived and recognized by others.*

For this reason, it is necessary to develop guidelines for transformative financial management, that is, financial initiatives designed to reverse the dynamics of exclusion focusing on ensuring access and use of services that allow men and women to overcome limitations and improve their livelihoods and circumstances (Quisumbing *et al.*, 2019).

This conception of financial inclusion with a gender perspective and the concept of transformative finances described in the previous page are based on the conviction that it is necessary to work at the level of the ecosystem to generate changes in the inclusion of women, and success does not depend

on a single financial instrument, but on a series of actions to ensure that instrument can transform the dynamics of exclusion, understood not only from a gender perspective, but also from an intersectionality approach. These actions can translate into financial and non-financial products, such as training, networking, advice, knowledge-sharing platforms, health services, etc., that can catalyze changes in women, their businesses, and the stakeholders of the financial system and, therefore, in their dynamics, policies, regulations and organizational cultures.

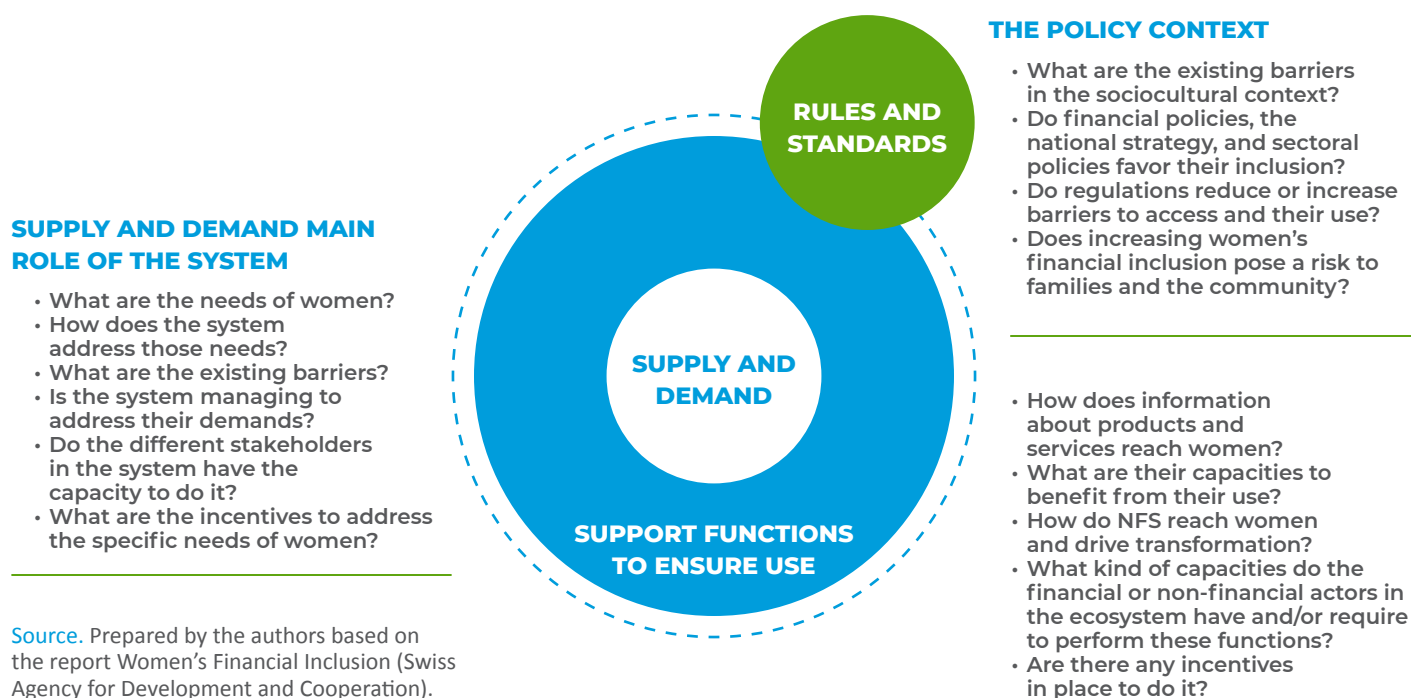
The report also focuses on the so-called group of women at the base of the economic pyramid, who are also at a disadvantage when it comes to access to formal employment opportunities and higher salaries, as well as to the resources they need to develop their businesses and entrepreneurial capacities. This group is of particular interest, considering they are the target population of the MELYT programme.

## Applying gender lenses in the financial ecosystem: a multidimensional challenge

The concept of transformative finance requires an analysis of the incentives, capacities, and relationships between the different actors in the market to identify specific points of access to a market system that needs to improve its operation to give efficient responses to its users.

The main role of the financial system is to regulate the demand and supply, which is directly related to the policy context and relies on the actions of those organizations that can facilitate access to information and capacity building both for women and the FIs that are part of the process of creating the supply.

The Figure below shows a summary of the ecosystem. The following sections include an in-depth review of the characteristics, challenges, and opportunities of the demand, the supply, support services, and the type of context that favors inclusion.



**Source.** Prepared by the authors based on the report Women's Financial Inclusion (Swiss Agency for Development and Cooperation).

While access to the financial system, in general, has increased, the World Bank's Global Findex shows the **gender gap in access to financial accounts has also increased**. However, as stated in the Global Microscope 2019 report (EIU, 2019), the study cannot yet point to conclusions or recipes as to which policies will increase women's financial inclusion, considering countries with a similar ranking show very different results when it comes of gaps (El-Zoghbi, 2020)<sup>1</sup>. What may seem an obstacle to women's financial inclusion in one country may not be an obstacle in another, which means each country must define the conditions that are more likely to increase women's financial inclusion based on their contexts. Therefore, countries are encouraged to not only measure access to services –that is, inclusion– but also the conditions and capacities of the system to reverse the dynamics of exclusion and support the individual efforts of FIs to develop targeted products and services. It is important to note that all the initiatives described in this report have included efforts to work with governments and regulators in their countries, considering the need for an enabling environment with standards, policies, strategies, and programmes that incorporate a gender and intersectionality lens to reduce vulnerabilities. Based on research results and a comparison of different sources, the study found that at present, twelve countries in Latin America and the Caribbean have financial education or inclusion strategies or policies. (For more details about the work done in each country, see Annex II).

## II.2 Quality and usefulness of a financial product for women and entrepreneurial women at the base of the pyramid

The experiences analyzed in the context of this report allow the definition of criteria to determine the quality and usefulness of a financial product. A key aspect in this regard is that all the initiatives have taken into account the socio-economic, educational, and aspirational characteristics of the women they seek to serve as a starting point. This means it is necessary to:

- Recognize the existence of gaps in access to national identification documents (ID) and smartphones, and suggest alternatives based on an analysis of their groups of female customers.
- Identify low levels of digital literacy, schooling, financial education, and capacities, and provide NFS to reverse the trend.
- Review and adapt standards and procedures that may undermine women's right to hold a bank account, control assets, accumulate and access funds to grow their businesses, and, ultimately, to make their own financial decisions.
- Identify factors related to the context and vulnerability of their target populations and offer financial capacity-building services (for example, savings accounts combined with financial education, insured loans combined with financial advice, etc.)
- Recognize the economic autonomy aspirations of women and empower them by integrating the design of a particular product into a long-term strategy to build financial health and wealth.

1 Indicators used by the Microscope: 1) They inform policies (government collection of sex-disaggregated financial inclusion data, inclusion of a gender approach in national financial inclusion strategies). 2) Demand side barriers (inclusion of a gender approach in financial literacy strategies and programmes, inclusion of a gender approach in digital literacy strategies and programmes, women's participation in decision-making at financial regulators). 3) Legal discrimination (non-discrimination in account opening, diversity programmes for non-banking agents or correspondent agents, gender gaps in access to national identification (ID), non-discrimination in access to a national ID. 4) Access to infrastructure (gender gap in Internet access, gender gap in access to a mobile phone).

The summary table of initiatives (Annex III) provides an overview of the actions required to adapt products and services to reach women, such as the review of account opening and loan requirements, innovations in strategies to reach women such as visits to communities, language and awareness-raising training for staff, among others.

### How to measure the success of a financial inclusion initiative?

The success of a financial product or service designed to increase the financial inclusion of a group that experiences multiple vulnerabilities must be analyzed, as a minimum, at four different levels:

- **Increasing women's participation** in the FIs' portfolios.
- **Changes in women's access and use of the financial product or service both at a personal and family level, as well as in their businesses.** In this regard, defining a starting point for each group of women

is key; the success of one of them is not the success of all of them; assessments must take into account the impact of the multiplicity of intersecting factors of exclusion that affect them to evaluate the level of progress.

- **Domino effect within the institution**, with increasing levels of incorporation of the gender perspective in products not targeted to these groups, their internal culture and services for their customers.
- **Changes in the entrepreneurship and financial ecosystem as a result of a positive experience.** A business case developed based on a positive experience that leads to new actions by other stakeholders. This can include work agreements in the context of comprehensive assistance programmes –financing, training, access to markets, etc.–, new national guidelines for data generation and analysis to measure women's financial health, multi-stakeholder agreements for the implementation of a financial inclusion policy or strategy, etc.

## **SECTION III**

# III. Affirmative and comprehensive actions to increase women's financial inclusion

## III.1 Women's participation in the financial sector is linked to their participation in the productive economy

Women's participation in the financial sector is not only related to their place in the productive economy but also conditions their active participation in it. In general terms, women's participation in the labor market is segregated. Most of them have limited entrepreneurial and digital capabilities, as well as limited access to productive resources. Their productive tasks are often combined with the responsibility of caring for their households and families. Women's disproportionate burden of care tasks and unpaid work means **markets are often a place alien to women**. Despite the existence of important movements advocating for a paradigm shift, not all women can have a constant presence in the labor market or the entrepreneurship ecosystem and build their financial future, especially those with vulnerable socioeconomic conditions and low levels of schooling. Their main forms of support are family networks, other women, and the informal financial market. They do not have the guarantees or the level of education and information they need to approach formal FIs.

**Not belonging, not understanding, and not knowing increases levels of distrust in access to the formal financial system**, which favors the parallel use of informal forms of saving with a higher risk associated (UNDP, 2020).

On the other hand, financial market institutions that have identified significant participation gaps among women and the limited diversity of their teams, and lack the knowledge to reach this sector, will typically create even more communication and service barriers, a situation that will limit their capacity to serve an important population market in the context of the post-pandemic recovery. Added to this are the challenges faced by women at the base of the pyramid, many of whom live in rural areas not reached, or only partially reached, by financial services. According to UNDP, one of the obstacles to opening a bank account that has been identified is the distance from FS providers. This limitation can particularly affect women with low income and mobility restrictions. The long-distance from physical points of access to services (a bank teller window, branch, or banking correspondent) and the lack of sufficient income are also linked to not having a savings account because, when the amount a person wants to save is lower than the cost of transportation (measured in terms of time and money) women prefer to resort to informal saving (UNDP, 2020b). To address this problem, many of the initiatives launched by FIs have incorporated measures to reach women, including facilitating access to services and simplifying procedures. Taking digital FS to areas where no bank branches exist will motivate more women to open formal accounts, considering they will be able to save or deposit minimal amounts regardless of the distance (UNDP, 2020).

## SHORTENING DISTANCES AND STRENGTHENING BONDS

Banks have understood the importance of focusing on two areas:

- **Reducing physical barriers:** opening branches, account executives going to the places where women live, digitalization of processes and simplifying account opening requirements. They have also identified challenges such as the lack of access to smartphones and the Internet, in response to which they have implemented solutions such as home visits or going to places where women typically gather, in addition agreements with governments to promote the development of the infrastructure required.
- **Reducing service barriers:** efforts to develop the portfolio of women and women entrepreneurs should take into account service barriers in the redesign of products and services, as well as the way banks relate to them. Banks found it is essential to have diverse teams and duly trained personnel to reach women, learn about their challenges, work to reduce barriers and develop innovative proposals to support their growth.

Another major challenge is **women entrepreneurs' limited access to productive capital**, which is also a challenge for banked women, who have higher education, information, and resources for their productive activities.

Many FIs still believe it is impossible to deliver services to certain women's niches given the level of risk that involves, but this perception is now being challenged by those institutions that have implemented special programmes with positive results. Added to this are the biases that influence the different stages of access to credit, from the information and support women receive before and during the application process to the risk assessment of loan applications.

A recent study conducted by the IDB (IDB, 2020) to determine if account executives tended to favor male applicants identified discriminatory biases in Chile's consumer loans market, with a lower loan application approval rate among women borrowers (18.3%) compared to men. The study concluded that this situation impacts efficiency costs in terms of the unperceived benefits associated with applications rejected due to gender discrimination, which amounts to US \$5.8 million a year for the industry. Evidence found also led to the conclusion that gender discrimination against women borrowers results from biases such as being pro-men or pro-women. They also found that banks with a more significant proportion of male account executives typically have higher levels of discrimination against women, both in terms of rates of response and approval, even if those executives are aware of women's better payment behaviors than men. The study concluded that, on the one hand, banks should implement hiring policies that take into account the attitudes and preferences of job applicants and, on the other, they should work to make substantial changes in their organizational culture to reverse the impact of personal beliefs and biases on the decision-making process.

The initiatives reviewed in this study can be divided into two types of strategies to address this major challenge;

- **Identifying and targeting different subsegments of women in the market to debunk the idea that women cannot be entrepreneurs or own a business:** is a strategy particularly targeted at niches of banked or employed women or women owners of small and medium-sized enterprises.
- **Coordinating efforts to reduce the commercial risks associated with delivering services to women at the base of the pyramid:** this is done by offering guarantee funds and education so women can make informed use of financial products to grow their businesses.



## BRINGING WOMEN CLOSER TO THE FINANCIAL MARKET

### The actions of the Central American Bank for Economic Integration (CABEI).

Through their Entrepreneurial Financing for Women programme (FEM), CABEI is making a significant contribution to transforming the financial ecosystem, particularly through a series of partnerships with organizations that serve women and their businesses, as well as with intermediary FIs that have embraced their vision and adopted new practices in their banks and the environments where they operate.

CABEI's efforts to bring attention to the importance of understanding and addressing the challenges faced by women in their relationship with banks has led to the replication of good practices to design better service offers in different countries.

**Commitment and leadership.** With the approval of its gender policy in 2010, CABEI became one of the first multilateral banks to adopt a gender policy, and, since then, their CEO has shown a permanent interest in fulfilling that commitment. This has had an impact both inside and outside of the organization.

**Institutionalizing the commitment.** CABEI's initial evolution phase involved internal changes, such as adapting employee benefits, changes in their employee recruitment process, and, more recently, eliminating one of the organization's oldest rules –not hiring persons above the age of 50–. Thus, they have been evolving and improving their internal organizational development.

**Making resources available.** CABEI's FEM regional programme is the first financial programme to finance investments for women entrepreneurs and business owners as part of the Regional Financing Programme for Women Entrepreneurs (PRAEM). The programme offers financing for women interested in starting a new business, women owners of MSMEs, MSMEs with women partners and majority ownership by women, and MSMEs with more than 50% female employees, legally incorporated and with up to 100 employees, with a maximum financing cap of US \$1,000,000 (BCIE, 2017).

## Working towards a more inclusive financial market in Central America.

In addition to supporting women's financial inclusion, **the FEM programme seeks to raise awareness among banks about the importance of adopting a gender approach to promote initiatives and develop products that benefit women.**

Since its launch in 2016, FEM has made 68 disbursements through 12 institutions, channeling a total of US \$22.4 million and benefiting 7,500 low-income households, 83% of which are headed by women.

The programme not only transfers resources to intermediary banks in the different Central American countries but also shares guidelines to work with women in order to ensure the success of the programme. At the regional level, adopting a gender perspective in all banking operations is difficult because countries have different laws and, therefore, making changes has not been easy. However, as SICA'S financial branch, they assist its most important bodies in the process of improving the design of SICA's regional strategies, which means they always provide support for the implementation of the gender perspective to achieve an impact on women.

### III.2 The disproportionate impact of COVID-19 on women

Numerous studies (UN Women, 2020; ECLAC, 2021, among others) show the pandemic has exacerbated inequalities and affected women's autonomy in four aspects in particular: economic inequalities and poverty, sexual division of labor, the concentration of power, and cultural and patriarchal patterns.

It is projected that by 2021, for every 100 men aged 25 to 34 living in extreme poverty, there will be 118 women in the same situation, a gap that is expected to increase to 121 women per 100 men by 2030. (ECLAC, 2021). The pandemic led to high female unemployment and informal work rates (UNDP, 2020a), as well as an increase in poverty (ECLAC, 2021).

There is evidence of a mass loss of employment, contraction of economies, and loss of livelihoods, with 25% of women losing their jobs or businesses compared to 21% of men (Azcona et al., 2020), in addition to an increase in the number of women employed in the informal sector with no access to social protection systems. All this places women in a situation of job insecurity, financial insecurity, and uncertainty in their businesses.

This situation also led to an increasing number of households living in poverty and the overrepresentation of women in them. The financial and digital gap, on the other hand, reduced women's ability to deal with the crisis.

The impact has also been particularly severe on women because they are overrepresented in low salary sectors (Tucker and Patrick, 2017), i.e., the so-called seven Cs<sup>2</sup>: caring/childcare, cashiering (retail), catering, cleaning, clerical (admin), craft, and the casual/informal economy.

The sexual division of labor also shows a concentration of women in those sectors with the highest risk of infection, such as the frontlines of the response to the pandemic. Women are also concentrated in low-skilled sectors and, therefore, are more susceptible to being dismissed (UN Women, 2020; ECLAC, 2021).

**The impact of the pandemic on women-led enterprises has been disproportionate:** women-led enterprises in Latin America were 11% more likely to close than men-led enterprises. Women not only lead a more significant proportion of the total number of microenterprises without employees included in the sample (37% compared to 24% for men) but are also concentrated in those sectors hit the hardest by lockdowns, such as travel agencies or tourism, event organization services, education, and childcare services, performing arts and entertainment, hotels, coffee shops and restaurants (WB, 2020). Women-owned enterprises need subsidies and other support financing mechanisms specifically designed for them (Azcona *et al.*, 2020).

### FIS RESPONSE TO THE IMPACT OF THE PANDEMIC ON WOMEN ENTREPRENEURS: ADAPTING TO REACH MORE WOMEN

**The digital divide has grown and become more visible due to the COVID-19 mobility restrictions<sup>3</sup>**

- Banks reacted to the pandemic by shifting from a typical NFS offer to digital solutions designed to train and support women entrepreneurs so they can deal with a future of financial uncertainty while respecting social distancing protocols. Support programmes offer advice to deal with limited financial problems of liquidity, the disruption of supply chains and changing business strategies.
- *Pro-Mujer*, an organization that provides financial, health and education services to underserved women in Latin America, accelerated its adaptation process. Its health and financial teams working in the region are rapidly developing new ways to meet the needs of women beneficiaries, in addition to short and long-term strategies to ensure women can continue to receive support, stay healthy and deal with the economic impact. They considered the possibility of deferring loan payments to alleviate the financial burden on women, in addition to providing capital so they could reopen their businesses. They also developed a digital wallet and digitalized their training and financial advice services.

<sup>2</sup> Cs of caring/childcare, cashiering (retail), catering, cleaning, clerical (admin), craft and the casual/informal economy.

<sup>3</sup> Universalizar el acceso a las tecnologías digitales para enfrentar los efectos del COVID-19

## **MULTI-STAKEHOLDER WILLINGNESS TO FACILITATE ACCESS TO CAPITAL AND REACTIVATE THE ECONOMY**

Emergency Support and Preparedness for COVID-19 Programme, CABEI, MELYT and other cooperation partners.

In response to the health emergency affecting the entire region, CABEI launched an Emergency Support and Preparedness for COVID-19 and Economic Reactivation Programme, for up to US \$1.96 billion, approved on March 31, 2020.

As part of this programme, CABEI also launched a Financial Sector Support Facility to finance MSMEs affected by the COVID-19 crisis with support from German Financial Cooperation through KfW (a state-owned investment and development bank) and the European Union. CABEI's Support Facility is providing credit resources to finance working capital, and investment needs through its network of FIs throughout the region for up to US \$350 million. CABEI's programme and facility have the support of several financial and cooperation agencies, including UN Women/MELYT. AICS, in turn, is in the process of evaluating its participation in this initiative to partner with all the parties involved in the implementation of a rapid and coordinated response to the challenges posed by the COVID-19 pandemic.

The US \$1 million contribution of Italian Cooperation and UN Women/MELYT to these blending financing mechanisms is a clear example of their willingness to work with strategic partners in the countries of the Northern Triangle of Central America and women-led MSME sectors. And above all, these efforts ensure a gender approach in the design of this tool.

100% of these funds will be used to provide partial guarantees to women entrepreneurs or women starting a business, who will have access to loans, technical support, and donations. In addition to this offer, which is in the process of being implemented, other cooperation partners have agreed to contribute funds to CABEI's programme and the Facility, with the guarantee that the guarantee fund will not discriminate against women who have been hit hardest by the pandemic. The guarantee fund will be available once it is formalized, and the US \$1 million disbursement will be made during the first year of operations for women entrepreneurs from the MSME sector in the Trifinio region. The fund will be available in Guatemala, El Salvador, and Honduras beginning in the second year of the project. It will eventually cover the six countries in the Central American region (Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica, and Panama). CABEI will cover the fund's operating costs, mainly those related to the initial operation of the partial guarantee fund. It will also implement a system to monitor and evaluate women's financial inclusion and its repercussions on their individual well-being and that of their families and their financial situation (job creation, sales growth, salaries, and profits, among other variables).

All these factors are affected by historical inequalities that still persist. **The domestic work and unpaid care burden** that mainly falls on women and increased disproportionately during the pandemic (UN Women and ECLAC, 2020) has reduced the time they dedicate to their businesses and jobs and, in some cases, has made women's reintegration into the labor market literally impossible. According to a joint survey conducted by Facebook, the Organization for Economic Cooperation and Development (OECD), and the WB among enterprises of different sizes, the impact of child care tasks, online classes, and household chores has been 10% higher for women-led enterprises compared to their men-led counterparts (Facebook, OCDE and WB, 2020).

The situation is compounded by the cultural and patriarchal patterns reinforced by the COVID-19 lockdown measures and mobility restrictions that led to **increases in gender violence** due to the higher levels of exposure to aggressors or potential aggressors and financial and social stress in a context of restricted mobility and social isolation measures (ONU, 2020).

The survey also showed **lower participation of women in decision-making** due to the pandemic, which reduces the possibility of taking their needs into account in the response.

As regards **the capacity of governments to facilitate access and use of FS**, the pandemic showed the need for tax relief and support measures so women can fulfill their financial commitments, in addition to guaranteeing access to capital for the reconversion

and adaptation of their businesses to the new context. While accelerating the digitalization of FS during the COVID-19 lockdown made bank transactions easier for many people all over the world, it did not necessarily translate into higher levels of inclusion for individuals who are financially illiterate or have limited digital skills and, which, consequently, are less likely to benefit from technological platforms (Walbey and Tan Yi Lu, 2020).

Something similar occurred with accounts opened to receive social benefit payments made by governments to the population groups hit the hardest. While the digitalization of government payments may increase women's financial inclusion and economic participation (FINDEX 2017), to be able to overcome the crisis, complementary measures will be necessary to increase women's inclusion in FIs, maintain their presence in the labor market, and support them in the recovery and reconstruction of their businesses.

Developing strategic links between access to capital and MSME support programmes is a common formula found in women's financial inclusion initiatives. Social gender bonds are an interesting resource mobilization experience to support women-led enterprises that are producing good results, not only because they channel resources to women-led enterprises, but also due to their multiplying effect on banks placing them, which have increased their investments in this type of financing given the results achieved. In this regard, there is a new investment trend: an increasing number of investors are making decisions with the aim of creating a social impact.



## INJECTION OF CAPITAL FOR WOMEN TO TRANSFORM THE FINANCIAL ECOSYSTEM. FIRA'S EXPERIENCE WITH SOCIAL GENDER BONDS IN MEXICO

**Social gender bonds** were identified as an opportunity in the context of recovery after the initial shock caused by the pandemic. Trust Funds for Rural Development (FIRA) listed social gender bonds on the Mexico Institutional Stock Exchange (BIVA). The objective of social gender bonds is to facilitate financing for women-led projects in rural areas related to agriculture, animal husbandry, poultry production, agro-industry, fisheries, and other related activities and, thus, contribute to reversing inequalities through credit and discount operations.

The listing of Social Gender Bonds is the first of its kind with a gender perspective in Mexico and represents an innovative mechanism to attract investors interested in promoting gender equality. These bonds comply with the Social Bond Principles of the International Capital Market Association (ICMA). They are also part of an international financing trend following environmental, social, and governance (ESG) criteria.

These instruments are part of Mexico's national development plan and an institutional strategy to finance agricultural activities in Mexico through financial inclusion, increasing productivity, and contributing to sustainable development. The institution has a second-tier model with a total of 81 financial intermediaries.

### Training, advice, and guarantee

The investment assumption behind this support mechanism is that women do not have equal access to financing and, therefore, to productivity factors. The objective of FIRA's social gender bonds is, on the one hand, to provide a guarantee to placement banks (BBVA, Santander, Citibanamex, Scotiabank, and HSBC, among others) and, on the other, to transfer technology and training directly to women borrowers. This reaffirms women's repayment capacity and gives certainty to financial intermediaries.

The proceeds from the issuance of these bonds will be used to finance the portfolio of investment projects of women accredited in any of the sectors supported by FIRA through its different programmes. More specifically, they will be used to finance and refinance loans and investments of credited women, as well as new requests for credit and financing of investment projects that meet eligibility criteria, to wit:

- Financial inclusion: resources to start a business for women who have not received a FIRA loan in the past.
- Labor and productive initiatives resources to increase women's autonomy for the development of projects as a source of income, job creation, and family self-employment.
- Entrepreneurship: resources to start a new business or consolidate or grow an existing one.



### III.3 Coordinated and joint actions to reverse an exclusive financial system

There is significant evidence of the importance of getting stakeholders of the ecosystem to join efforts and work in a coordinated fashion. Affirmative actions to promote women's inclusion allow multilateral development banks, governments, and public and private banks to establish agreements and launch financial products or instruments to give women access to what they cannot get otherwise: access to capital guarantees, training, financial and business advice, credit management experience and use of other related financial products. These strategic partnerships provide women with niches of opportunity and create scalable positive evidence; they should be combined with processes for the review of current policies, standards, and requirements that generate exclusion. In addition, this type of initiative at the national level often encourage governments, financial regulators, and development banks, among others, to implement actions to:

- **Identify standards and requirements to access bank services vs. legislations that limit women's freedoms.** According to the Microscope 2019 Report, opening account requirements are the same for men and women in all countries. However, women in the

Caribbean face other legal restrictions related to employment, real estate property rights, mobility, and choosing the place where they live, all of which have a direct impact on their economic participation and access to FS (WB, 2021b).

- **Identify financial inclusion gaps that affect women and how they are addressed through specific strategies.** Over the course of the last decade, progress has been made in the establishment of commitments and the definition of objectives in the national strategies of FIs in countries in Latin America. Those strategies focus on actions to reduce poverty and promote the stability and development of their financial systems (OCDE/CAF, 2020). At the moment of this publication, sixteen LAC countries had implemented or were implementing national financial education and inclusion strategies.
- **Ensure long-term strategies and commitments to reduce the impact of policy and administrative changes** that affect effective coordination and collaboration between the institutions involved in national strategies for the implementation of their work plans. Each institution should develop business models that justify the continuity of its work by linking gender commitments to the institution's global objectives (OCDE/CAF, 2020).



#### FINANCIAL INCLUSION PROGRAMME WITH A GENDER PERSPECTIVE FOR WOMEN IN ALL THEIR DIVERSITY: THE COSTA RICA EXAMPLE

The aim of this ambitious programme, which includes different stages of implementation, is to align the efforts of the different stakeholders of the ecosystem to address the challenge of reducing financial gaps in the country by:

- Mainstreaming the gender approach supports financial entities and bodies responsible for leading, implementing, and evaluating guidelines to bridge financial gaps between women and men.

- Measuring, analyzing and communicating data on Costa Rica's financial system to bring attention to financial gaps between women and men.
  - Providing technical support to financial entities to ensure access to effective use and control of financial products and services for women to eliminate their financial exclusion.
  - Raising awareness among and educating, the banking system personnel, in particular, that in the areas of Risk, Compliance, Legal, Credit, Personal Banking, and SMEs, so they can provide services with a focus on eliminating and preventing the financial exclusion of women in all their diversity.
  - Incorporating the needs of the diversity of women into financial products and services through affirmative actions to bridge economic gaps between women and men in the country.
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These agreements for the operationalization of strategic lines of action have resulted from assessment and planning work by multiple stakeholders under the lead of Costa Rica's National Women's Institute (INAMU). These efforts also led to the development of general guidelines applicable to the different stakeholders of the ecosystem.

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The development of the initiative has included three stages. The **first stage** identified the need to bridge information gaps and produce sex-disaggregated data on the financial situation of men and women through effective coordination between three national institutions: INAMU, the General Superintendency of Financial Entities (SUGEF), and the Development Bank System (DBS). The three entities, with the support of ECLAC, presented the *Report on gaps between men and women in access and use of the financial system in Costa Rica* in August 2019. The aim of this first report was to provide an assessment of financial information produced by the Costa Rican State to bring attention to the need for sex-disaggregated indicators for the targeted design and implementation of gender-sensitive financial inclusion policies. This coordinated response will also contribute to upholding women's right to access financial resources and FS.

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During the **second stage** of development of the initiative, they developed a series of guidelines to bridge financial gaps between women and men in Costa Rica. The document includes concrete guidelines and actions that all the entities of the National Financial System can implement to bridge the financial gaps that affect women. The objective of these guidelines is to ensure access and the effective use and control of financial products and services by women in all their diversity so they can achieve more economic autonomy and financial inclusion, in addition to the elimination of gaps between women and men. The actions implemented by financial entities are also linked to the Gender Equality Seal (a certification process led by INAMU), which is part of a policy to eliminate gaps between men and women in the labor market.

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The initiative is currently in its **third stage**, which includes pilot tests in three types of financial entities –public banks, private banks, and micro-credit institutions– to identify how the guidelines and actions designed work. The programme also includes the development of an action plan for the implementation of the guidelines in each individual entity. Similar guidelines will be developed based on the results of the three pilot tests.

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They are also working on a report to share information on the process of bridging financial gaps. The report will include a chapter of analysis of the consequences of the pandemic on access to credit for men and women. While the current initiative only covers the banking sector, they have plans to expand its reach to the financial system as a whole, including pension, securities, and insurance services.

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### Key aspects of the process

- Partnership between INAMU and financial regulators.
- Support at the highest level (Vice Presidency).
- Engaging the private sector, using the “business case” to bring attention to the need to focus on women, considering the actual impact of the initiative and its rate of return.
- Based on a participatory assessment and the joint definition of priorities, actions were implemented to change the organizational culture of FIs and support women entrepreneurs

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This successful experience in Costa Rica, where different stakeholders of the financial ecosystem are now working together, has led other countries, such as Chile and El Salvador, to replicate the initiative. This has laid the foundations for substantial changes in practices and standards, as well as joining efforts, for example, for the generation of disaggregated data to identify the magnitude of the problem and progress made in the implementation of strategies.

Finally, it is worth noting that while there are several examples of successful initiatives made possible thanks to the political will of governments, there are other successful initiatives led by banks, such as the *Crece*

*Mujer* (“Grow, Women”) programme, launched six years ago by the Microenterprise Branch of the State Bank of Chile ([www.crecemujer.cl](http://www.crecemujer.cl)). The programme, which was created in response to a gender gap analysis of the entrepreneurship ecosystem, is based on three pillars: access to the financial system, develop management capacities and increase the creation of business networks, in addition to a cross-cutting organizational adaptation process to address gender issues. The gender gap analysis of the entrepreneurship ecosystem also led to a series of partnerships to provide training and create a community of women by providing connection, access, and networking opportunities.

## SECTION IV

## IV. Elements to assess the transformative capacity of an initiative to promote women's financial inclusion

The areas of activity presented here are part of the framework of analysis to identify initiatives for the financial inclusion of women at the base of the pyramid and women entrepreneurs with micro and small businesses in the region. These initiatives, which have been defined and informed by good practices shared by

FIs, can be used as a reference by all those institutions interested in transforming processes and practices to increase levels of financial inclusion. The practices summarized here are addressed in more detail in the following sections.

AREA	ACTIONS
Definition of the value proposition	<p><b>Identify the profile of women target users to define the value proposition:</b></p> <ul style="list-style-type: none"> <li>• Identification of gaps in participation in financial products.</li> <li>• Identification of the profile and needs of the target group through consultations, market research and definition of niches of women.</li> <li>• Identification of vulnerability factors such as race, ethnicity, age and social inequalities particularly related to the territory where women live and how this influences their differentiated access to possibilities, resources and services<sup>4</sup>.</li> <li>• Development of an adaptation plan for procedures and internal practices that recognizes vulnerability needs and factors.</li> <li>• This must be a regular practice to be able to assess women's changing needs and opportunities based on their context.</li> </ul>
Integrated financial and non-financial services offer to ensure access and use of the financial product	<p><b>Provide comprehensive financial and non-financial products and services that can be accessed and used simultaneously: savings, insurance, credit combined with training, financial and business advice, access to markets.</b></p> <ul style="list-style-type: none"> <li>• The financial product is designed taking into account the life cycle of women and their businesses. Think about different niches based on a review of women's financial growth.</li> </ul>

<sup>4</sup> While the intersectionality approach does not appear explicitly in the design of products and services, its analysis is an underlying element to understand target groups, particularly in connection with the above mentioned factors.

	<ul style="list-style-type: none"> <li>• Requirements and procedures to access financial products and services are designed taking into account the access barriers faced by women during the process of opening accounts, obtaining loans, etc.</li> <li>• Access, information, and communication channels facilitate the alignment the FS and NFS offer. Development and adaptation of digital platforms and networks of branches with specialized advisors to share this information.</li> <li>• The value offer of financial and non-financial services is periodically reviewed and adapted in response to changes in the context in general and the target subsegment of women in particular.</li> <li>• NFS are redefined in response to the changing needs of women in terms of the growth of, and support for, their businesses. The delivery of NFS creates a link with women that facilitates the process of educating them on the use of financial products. FS are redefined based on information about women once a commercial relationship with them has been established, and they develop a credit history.</li> </ul>
<b>Institutional alignment</b>	<p><b>Seek institutional change by:</b></p> <ul style="list-style-type: none"> <li>• Building awareness among the teams involved in the design and implementation of programmes and initiatives to promote women's financial inclusion.</li> <li>• Centralizing the product designed for women in the financial institution's commercial team.</li> <li>• Ensuring the commitment of the FI's senior management to the development of innovations to serve women and increase their financial inclusion.</li> <li>• Promoting capacity-building in FIs and changes in their organizational culture to reach women, especially those who do not have a relationship with commercial banks.</li> </ul>
<b>Systems to measure the sustainability of initiatives</b>	<p><b>Serving different niches of women must be profitable for FIs and other stakeholders of the ecosystem making investments in inclusion processes. This can be done by:</b></p> <ul style="list-style-type: none"> <li>• Measuring the product's profitability and its access and use.</li> <li>• Collecting indicators to identify changes in the lives and businesses of women, combined with commercial indicators to ensure financing programmes with a gender approach are well oriented.</li> <li>• These indicators can be used for the development of a robust monitoring system.</li> <li>• Replicate in other financial products the characteristics of successful initiatives specifically designed for women.</li> </ul>

## **SECTION V**

## V. Main achievements in the financial inclusion of women at the base of the pyramid in the region

### V.1 Tailored products and services

Evidence shows that moving away from standard financial products or services for women not only increases levels of financial inclusion but is also more profitable for FIs. It is worth noting that all the financial inclusion initiatives reviewed here are based on an in depth knowledge of their target beneficiaries. Some of them were based on market research, while others were developed out of the need to address barriers already identified by stakeholders of the financial sector.

One key aspect of these initiatives is the innovation of financial products and services, as well as adapting them to the needs of the different segments of women (women entrepreneurs, employees, students, heads of household, retirees, etc.), taking into account their different conditions (for example, rural or urban women). It is necessary to adapt:

- **Financial products:** unsecured loans, guarantee funds or intangible guarantees (jewelry, family members as guarantors, furniture, among others), lower loan rates, longer grace periods, considering

special periods such as maternity, and reducing or eliminating minimum balance to open a bank account.

- **Bureaucratic procedures:** Bureaucratic processes to open accounts can be reduced by combining the online opening of accounts by female customers and opening of accounts by advisors. This also reduces the need for paperwork and simplifies requirements to open a business and pay taxes.

At a time where the digitalization of financial products would seem to be the answer to the challenges of distance and lack of time faced by women, it is still necessary to recognize the need for a general value offer to help women improve their financial health. While digitizing services and simplifying procedures and requirements will reduce barriers, it is still necessary to implement actions that allow women to have peace of mind with respect to their financial future and make decisions to enjoy their life. Once the member banks of the Financial Alliance for Women (FAW) identified the challenges faced by women in terms of their relationship with banks and the products and services they offer, they began focusing on offering NFS for women (FAW, 2020).

## BUILDING FINANCIAL HEALTH IN PRACTICE

The shift from financial inclusion to financial health is a gradual capacity-building process that involves the use of NFS that allow women to make better use of FS to reduce risks and enjoy financial peace in the long term.

### Capacity building takes place at different levels:

- **Education for the development of financial and digital skills:** guides, tools, reference materials, and technological business management tools, such as cash flow, payroll, invoicing, and record keeping, are provided.
- **Education to start a business or work in more productive sectors:** this can be done by pointing to opportunities to work in more profitable sectors such as technology, construction, etc.
- **Business management education:** development of business models and financial needs assessments.
- **Information about legal and accounting requirements** to help women formalize their businesses.
- **Providing information and training to build trust:** developing soft skills such as negotiation and leadership, business management, information about financial products and their use, and access to networking opportunities to gain more experience.
- **Access to business networks, information about tenders, hiring opportunities:** providing information and facilitating access to opportunities to contact potential buyers and employers, as well as mentors and innovation.
- **Advice and mentoring:** direct interaction with professionals who can support them.

## V.2 Comprehensive financial and non-financial services offer to increase participation in the economy with lower levels of vulnerability

The use of women's financial inclusion as a catalyst to transform their economic and financial skills requires an offer of financial and non-financial services designed to meet their money management needs and increase their economic autonomy, support their businesses and personal projects, and reduce their risks. And this is what achieving financial health means.

### KEY PRODUCTS AND SERVICES FOR WOMEN'S FINANCIAL HEALTH

Financial institutions are now beginning to think about, and designing, tailored products and services to reduce the level of exposure to crises and respond to the interests of women who, in most cases, are responsible for the security of their families.

- **Insurance products** are one of the financial services that have grown in importance due to the COVID-19 crisis, which has clearly shown the need for this type of financial services to address the impact of health or environmental crises or other problems on women and their families. In this context, insurance companies must provide services adapted to the needs of women and support them in the recovery of their finances, their health and the health of their families (Holliday *et al.*, 2020).
- **Mortgages:** a 2019 study conducted by the International Finance Corporation (IFC) showed there is a significant demand for housing loans among women in Colombia, but their access to mortgages is still limited due to their unsteady income and inability to meet loan approval requirements. 20% of households headed by women and 44% of households where joint decisions are made have plans to buy a home within the next five years, and 23% of them have plans to make house improvements.

The market for women in Colombia is estimated at US \$23 billion. However, women are still at disadvantage when it comes to obtaining home loans as a result of economic inequalities, including lower incomes and fewer formal employment opportunities (IFC, 2019).

- **Credit for development:** home improvements, education for women and their children.

### OFFERING WOMEN HEALTH CARE SERVICES IS ESSENTIAL

Building women's financial health is closely linked to health insurance products and services offering women's health care and prevention services (medical consultation apps, training and campaigns). This has been recognized by *Pro-Mujer* through **RADAR**, a **mobile app** developed in response to the impact of COVID-19 that is available for free to Pro-Mujer's team in Latin America and the United States. RADAR provides daily information on the potential risks of infection the organization may face and, thus, helps them to provide a more effective response to protect their staff and female clients.

Those FIs that are beginning to work with different subsegments of women have realized the need to help them to achieve their financial health with a broad range of products specifically designed for them, as well as the need to gather information about them. In this regard, there are several key aspects worth mentioning, such as the FIs' education work done with women to promote saving and the use of savings banks to build a credit history and be able to prove their repayment capacity, access to loans linked to insurance products, and the availability of guarantee funds for those segments that cannot provide guarantees and/or lack a credit history. This information is necessary for women to understand and make decisions regarding the delivery of a variety of FS designed to increase their autonomy.



### BANDESAL WOMEN'S FUND – "TAILOR-MADE INTEGRATED SERVICE PORTFOLIO FOR FEMALE CLIENTS" – EL SALVADOR

*Fondo mujer*, ("Women's Fund"), an initiative launched by the Development Bank of El Salvador (BANDESAL), is an example of the importance of adapting services not only from the standpoint of loan amounts, interest rates, guarantee funds, and delivery of NFS, but also of reaching women by partnering with organizations that are closer to them, simplifying communications and adapting NFS. The programme was created as a result of a pilot project implemented in two regions with successful results both in terms of its impact on the life and businesses of women and ensuring the profitability of products. The second stage of the initiative, which consists of three components—credit, guarantee fund, and training—began in 2018.



*Fondo Mujer's* strategy includes a progressive territorialization process and the establishment of strategic partnerships with public and private FIs and government institutions. In addition to its three components, a significant part of its success lies in a strong and sustained search for potential female customers and maintaining the relationship with them. Credit advisors explain to women the process required to obtain a loan and evaluate their capacity to take it and avoid overindebtedness. Their presence in the territory and the process of building trust are key to reaching women at the base of the pyramid. BANDESAL understands the importance of building demand, from the initial loan to the continuous education of women.

Since *Fondo Mujer* does not have a guarantee fund, it works in coordination with the *Banca Mujer Programme*, which offers loans, training, and technical assistance to SMEs, many of which started their development process with the Fund.

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#### Integrated service portfolio:

- US \$300 direct loans for different segments of women (MSMEs). Broad guarantee coverage for up to 70% of the loan amount in the second-tier modality.
- Evaluation model with a focus on measuring women's capacity to grow their businesses, independent decision-making, family group, distance from urban centers, etc.
- Initial training on women's rights and basic business concepts before the loan approval.
- Additional training based on needs identified by women borrowers themselves (leadership, motivation, financial education and social media advice) to assist them in the areas of advertising and marketing, both internally and externally, their products and services, administrative management, good manufacturing practices, advice on export procedures, developing their commercial image and participating in associations, among other things.

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#### Other key success factors

- Service methodology based on building a close relationship with women: field visits to learn about and assess women-owned businesses, account executives must be from the same locality to facilitate communication.
- Training for group of account executives that assist women.
- Implementation of supervisor role for the random control of businesses incorporated by intermediary banks.
- Support provided by account advisor and agricultural technician.

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### V.3 Products and services to shift from a reproductive to a productive logic

The aim of all the initiatives presented here is to bring attention to, formalize and support women's productive work, which has generally been informal and associated with socially assigned care responsibilities. Many of the women at the base of the pyramid who

decide to start a business working from their own home while they are not busy caring for their families or doing household chores. Their space and time are divided between productive and care activities, which are mainly oriented to ensuring the wellbeing of their families. This makes it difficult for women to see themselves as women entrepreneurs or manage their finances independently. The FIs and intermediaries of

the ecosystem have stressed the fact that access to capital is not enough.

They recognize the importance of guiding women users to form a critical mass of women with business and financial management capacities that can take advantage of products adapted to build their financial capacities and, thus, the economy of their communities. Organizations providing services to promote capacity building and reduce vulnerabilities, such as *Pro-Mujer*, work in this direction. The same applies to commercial banks that provide training together with the opening of accounts, use of saving products and loans with a focus on the conscious and informed use of financial products and services to meet their needs and desires.

Women entrepreneurs require solutions designed with the participation and agreement of multiple

stakeholders, where the financial ecosystem is linked to the entrepreneurial/productive ecosystem through the creation of programmes to provide direct support to women entrepreneurs.

Women's access to capital is a key element of this transformation. For the private sector, if used appropriately, microfinance continues to be an essential tool for the development of women's micro and small enterprises. Women account for 6% of microfinance borrowers in LAC. The microfinance sector in this region gives investors with a gender perspective opportunities to support, in particular, organizations that use novel and innovative technologies to reduce costs, develop new distribution channels and, thus, better meet the financial needs of their female customers (Buckland *et al.*, 2019).

## FUNDACIÓN MICROFINANZAS BBVA

*Fundación Microfinanzas BBVA* (BBVA Microfinance Foundation) was created in 2007 with the objective of promoting the sustainable development of the most vulnerable entrepreneurs. The Foundation, which is made up of a group of financial entities (*Bancamía*, *Financiera Confianza*, *Banco Adopem*, *Microserfin*, and *Fondo Esperanza Emprende Microfinanzas*), has its corporate headquarters in Madrid and develops strategies and policies around corporate governance, digitalization, impact measurement and control systems implemented by financial entities. The Foundation currently supports 2.6 million entrepreneurs, 60% of whom are women. They are investing their endowment in the creation and consolidation of a group of microfinance entities in Latin America, and their returns are reinvested in the Foundation's own activities, without any financial benefits for BBVA Bank.

***Fundación Microfinanzas BBVA*** has a strategy to empower women that focuses on developing a comprehensive value offer for them that includes non-financial products and services for their economic empowerment in three areas, in particular:

- **Economic independence.** To support women's economic independence, the Foundation offers products such as loans for productive activities, loans for rural women and victims of gender violence, group lending with joint and several guarantees, scheduled savings, and services such as business insurance, legal advice, online and in-person psychological and medical assistance, cancer insurance plans and tests such as mammograms, agricultural technical support and advice to help children with school homework.
- **Self-confidence, self-esteem and education.** To support women in the areas of personal skills and education, the Foundation offers financial education training, including business management skills, leadership, use of technologies for their economic activities, and marketplace training. It also provides education on gender-related aspects and business management through entrepreneurship schools.
- **Access to networks.** The Foundation also supports women entrepreneurs, facilitating access to markets by partnering with suppliers, online sales platforms, and networking with other women entrepreneurs.

The Foundation has a gender-disaggregated impact measurement system to increase its impact in three dimensions:

- **Financial health,** including management of women's household assets and financial resources.
- **Well-being,** with a focus on access to basic services and empowerment.
- **Business development,** with a focus on growth, productivity and asset accumulation. By measuring impact in these three dimensions, the Foundation can adapt its strategies regularly to maximize its impact.

For additional information, click [here](#).

Women at the base of the pyramid have relied on microloans for a long time, which has limited the growth of their businesses and, therefore, the demand for FS. While microcredit has contributed to women's access to short-term loans to meet their working capital needs, more efforts are still required to link it to other products designed to meet women's investment capital needs and contribute to the long-term expansion and growth of new enterprises. Some women entrepreneurs will gain

access to more sophisticated forms of financing –which are key to reversing the logic that is holding back their microenterprises– as more complex financial products are launched to give them access to new knowledge and experiences with FIs, the possibility of access to other resources (NFS), and also to more complex financial instruments to consolidate the growth of their businesses.



## BANCAMÍA RECOGNIZES THE SIGNIFICANT PARTICIPATION OF WOMEN AT THE BASE OF THE PYRAMID IN THEIR MICRO-CREDIT PORTFOLIO AND IS BETTING ON A TAILORED COMPREHENSIVE PROPOSAL – COLOMBIA

*Bancamía* is an FI part of the BBVA Microfinance Foundation group that developed the programme ***Nosotros con Ellas*** (“We’re with the women”) to improve the value offer for women with a focus on meeting their needs through a loan, savings, investment, insurance, and credit card products, NFS and training for women microentrepreneurs. These products and services are designed to help women realize their work potential and increase their financial inclusion.

*Bancamía* conducted a gap analysis of their portfolio and identified the profiles and needs of their female customers through the use of surveys. The survey data gathered made them realize the large proportion of women heads of household among their female customers, the excessive time they dedicate to care work, and the little time they dedicate to receiving training to grow their businesses.

*Bancamía* also has a cross-cutting strategy that includes organizational culture changes and the development of a value proposition with a focus on women from different segments. Internally, the bank initiated a digital transformation process to reach their customers with competitive costs and increased efficiency. To make their programme sustainable, they created an independent area specifically dedicated to its management.

### Main changes in FS access and design

- *Bancamía* redesigned their savings account, investment, debit card, credit, and insurance products with differentiated characteristics to fulfill the needs of rural and urban women.
- They adapted their credit product application, authorization, and administrative processes. Their improvements included training for staff in contact with their female clients, and they also opened a special bank window for women.
- They developed *Filtro Mujer* (“Women Filter”), a digital segmentation tool that facilitates the process interacting with their female customers and commercial support for their enterprises. The tool includes financial and non-financial differentiated products and services for women microentrepreneurs.
- *Bolso Protegido* (“Protected Purse”) is a theft insurance product mainly targeted at women engaged in the direct sale of catalog products and managing large amounts of cash.

<p><b>The non-financial services offer</b></p>	<ul style="list-style-type: none"> <li>• Training courses and workshops provided through <i>Mujeres con Propósito</i> (“Women with a Purpose”) a programme of the FUNDES Foundation, in addition to an in-house offer of education services and strategies to support the application of knowledge gained and the use of those services.</li> <li>• <i>Asistencias Mujeres</i> (“Assistance for Women”) is a programme to assist their female customers with their everyday needs. Its services include telephone non-emergency medical assistance, legal advice, psychological and emotional telephone assistance; cytology; mammograms; lab tests; plumbing; teachers telephone support for urban women and telephone medical advice; agricultural and livestock technical advice; preventive medical checkups; weather information; telephone geriatric advice, and style and hairdressing support for rural women.</li> </ul>
<p><b>Female customer support and loyalty programmes</b></p>	<ul style="list-style-type: none"> <li>• Their main communication channel includes a group of advisors who visit Bancamía’s female customers to promote their products and services.</li> </ul>
<p><b>Strategic partnerships to increase access to products and services and give women access to value chains</b></p>	<ul style="list-style-type: none"> <li>• Their officers, who cover 81% of the national territory, gather information and can immediately determine if women are creditworthy, which expedites the process.</li> <li>• Another point of access to information about their products is their online platform and their mobile banking app, which are easy to use and fairly intuitive.</li> <li>• They also have channels to receive suggestions and complaints, as well as feedback from their female customers.</li> <li>• A data collection system to identify user profiles.</li> <li>• FUNDES provides training to women microentrepreneurs on life planning strategies, personal skills, networking, and personal finance through their programme <i>Mujeres con Propósito</i> (“Women with a Purpose”).</li> <li>• <i>Fundación Bavaria</i>, which offers women financial education, access to credit with preferential rates and savings and insurance products from insurance companies partnering with <i>Bancamía</i>.</li> </ul>

#### V.4 Strategic partnerships in the financial ecosystem

Despite several efforts to mobilize resources for women outside of the microfinance sector, the offer of credit products for women or investments with a gender perspective in the region is still relatively small (Buckland et al., 2019) and does not focus on the niche of micro and small women entrepreneurs. However, more opportunities will emerge as more work is done in the areas of systematization and exchange of experiences, based on an analysis of what works and

does not work, in addition to collaboration between stakeholders not only from the financial sector, but also from the broader community interested in supporting women entrepreneurs in the region.

That is why partnerships between development banks, public and private banks and organizations working for women's economic autonomy are essential, because they can reduce the risks associated with products targeted at this niche of women and debunk myths around their capacity to obtain and pay off loans.

### PARTNERSHIPS TO ESTABLISH NEW MECHANISMS IN THE FINANCIAL SYSTEM

#### CABEI, first-tier banks, and the FI network, the MELYT Programme, Service Centers for Microenterprises and CENPROMYPE

The creation and institutionalization of new financing mechanisms for women entrepreneurs and women starting a business is one of the most powerful actions that can be implemented in partnership with different cooperating partners and FIs. The development of innovative mechanisms is a catalyst of new possibilities and ways in which traditional stakeholders from the financial sector can implement good practices to achieve gender equity. The **Fund for Women's Entrepreneurship** of the MELYT programme, funded by AICS, operates in the context of the **Emergency Support and Preparedness Programme** launched by CABEI as part of a joint effort between CABEI and UN Women. The MELYT programme is contributing with US \$1 million to offer complementary guarantees to women-led enterprises or new businesses, and they expect 50% of the total resources of the Facility, US \$350 million, to have the same use. This action is having a positive impact on the ecosystem, which is now expressing more interest in raising funds from other donors and financing entities, especially those committed to gender equality, considering the presence of UN Women ensures 50% of the total number of beneficiaries of those funds will be women.

This mechanism guarantees a minimum quota of 50% of the total resources will be used for women, and at least 50% of the beneficiaries will be women. In addition, the characteristics of the Programme operated by the Fund guarantee better financing conditions compared to those currently available in the region's financial sector. Another key component is an entrepreneurial capacity building and training proposal for women entrepreneurs accessing credit, which will be implemented by the Support Centers for Microenterprises (CAM) located in the Trifinio region in the participating countries: El Salvador, Guatemala, and Honduras.

These Centers will also promote the credit programme in the target territory. These training and technical assistance actions will improve production processes and support the transformation and commercialization of their products and services. They will also provide financial education to make women's products and services more competitive in local and domestic markets and, thus, increase their income. This will also guarantee their loan payments and, therefore, will reduce risk. Since CABI will expand this model to the whole SICA region, it will always have the CAM's support services, considering these Centers are located all over the region and receive support from the Regional Center for the Promotion of MSMEs (CENPROMYPE).

These services will be provided to the different countries through first-tier banks and a network of intermediary FIs, non-banking FIs, cooperatives, and savings banks. CABI has been working with them in the context of the FEM programme, which has had a significant impact in terms of mainstreaming the gender perspective in their organizational cultures, as well as in the delivery of financial and non-financial services.

The following table describes a series of key actions that are being implemented, or can be implemented, by the different stakeholders of the financial ecosystem or those that work with it to bridge gender gaps, change the way women look at their finances and businesses, and contribute to their economic empowerment and the development of their families and communities.

## STAKEHOLDERS OF THE FINANCIAL ECOSYSTEM AND THEIR STRATEGIC ACTIONS

### FINANCIAL SECTOR

Build awareness and introduce innovations in instruments designed for subsegments of women

#### Commercial banks:

- Comprehensive value offer based on the life cycle of women and their businesses.

#### Multilateral development banks and institutional investors:

- They play a critical role as facilitators of actions, consolidating and providing capital as initial investors, to show the market viability through mechanisms to assess the gender impact of those actions on current and future portfolios for the implementation of investment strategies with a gender perspective and increasing the amount of financing available, among other things.

### PUBLIC SECTOR

Normative structure and promotion of an inclusive financial and productive ecosystem by leading actions to increase access to financing, knowledge, technology and the market

#### Establish a policy framework to reduce barriers to financial inclusion, in addition to strategies for women's financial inclusion and promoting their businesses:

- Improve regulations and build implementation and supervisory capacities in areas related to financial inclusion, including the expansion of digital FS.
- Establish guidelines for the inclusion of gender policies and financial instruments to increase women's financial inclusion.



	<p><b>Create incentives to increase access to capital by women-led MSMEs and cooperatives with a particular focus on rural, indigenous, and Afro-descendant groups of women:</b></p> <ul style="list-style-type: none"> <li>• Provide guarantee funds that allow financial institutions to reduce the risk associated with serving market segments that do not meet current market requirements.</li> <li>• Promote the issuance of gender bonds to redirect the interest of investors to women-led businesses.</li> </ul> <p><b>Use their power to regulate the market</b> through public procurement with a gender perspective. Evidence shows it is possible to support women-led enterprises and entrepreneurship by offering special terms to access credit.</p> <p><b>Use of their capacity to coordinate actions/programmes led by banks and other public and private institutions</b> for the promotion of MSMEs, in addition to supporting women leading them so they can build their capacities</p>
<p><b>COMPANIES (CORPORATIONS AND FOUNDATIONS)</b></p> <p><b>Promote women entrepreneurs' inclusion and empowerment as a factor of sustainability of activities in the private sector</b></p>	<p><b>Recognize the power of women in the value chain both as consumers and providers.</b></p> <ul style="list-style-type: none"> <li>• Actions to ensure the diversity of internal teams linked to decisions that have an impact on women.</li> <li>• Knowledge sharing and support services, in addition to seeking commercial opportunities for women-led enterprises.</li> <li>• Recognize women's purchasing power by developing a proposal consistent with the different consumer niches (product design, communication).</li> </ul>
<p><b>INTERMEDIARY AND CAPACITY BUILDING ORGANIZATIONS</b></p> <p><b>Provide tools to bring the private sector (financial ecosystem and companies) and women together</b></p>	<p><b>Link the private sector's innovation to the needs of women entrepreneurs:</b></p> <ul style="list-style-type: none"> <li>• Inform, train and raise awareness among the broader financial and private sector stakeholders about the need to apply the gender perspective.</li> <li>• Build the women entrepreneurs' ecosystem by strengthening networks.</li> <li>• Collaboration with FIs in the mobilization of capital (for example, foundations mobilizing philanthropic capitals for investment infrastructure with a gender perspective, guarantee funds, etc.).</li> <li>• Build upon the experience of digital platforms to accelerate the process of access to financial and non-financial services.</li> </ul>

The catalysts identified for small women entrepreneurs to make a substantial shift and take advantage of opportunities created by the actions of the different sectors of the financial ecosystem are the following:

- **Access to information, networks, and expert advice** so women can learn about and understand the opportunities available to them both in terms of access to capital and NFS and the participation of communities of women entrepreneurs. Value propositions that provide this kind of information and advice, such as NFS, have produced very good results.
- **Design programmes, instruments, and products that combine financial and non-financial services** based on what works in the informal financial market, and incorporate them into the value offer for women-led micro and small enterprises. This offer, which will contribute to reducing women's barriers to access to services, takes into account common practices among them and incorporates those practices into
- **Incorporate the particularities of different activities in the value offer.** In the case of rural populations, for example, it is important to develop financial products compatible with the seasonality of rural activities and the limited and variable amounts saved by low-income rural populations, at a cost compatible with the levels of income of the target population (UNDP, 2020b).
- **Collaboration agreements between FIs and programmes for the promotion of MSMEs.**
- **Define different categories of products** for women by adapting financial products and services and the complexity of NFS.

a comprehensive offer. One example of this is Jefa, a fintech company that offers group savings services through its online platform, but addressing the security, transparency and trust issues that exist in the informal market.

## PRIVATE INITIATIVES LED BY FINANCIAL DEVELOPMENT INSTITUTIONS

### Banking on Women - IFC (IFC, 2017, 2018, 2021).

IFC's programme *Banking on Women* provides support to a large network of financial institutions through financing and expertise with the aim of profitably expanding their portfolios and increasing women entrepreneurs' access to financing and support for their businesses. IFC offers a wide range of senior and subordinated debt products, social gender bonds, capital, credit improvement and risk mitigation products for financial institutions that, in turn, provide a series of financial services to women-owned SMEs. The programme also provides assistance to financial institutions so they can offer high-quality services to their female customers, including support in areas such as design of client segmentation strategies, customer service, product repositioning and personnel training.

Since the launch of their programme *Banca para Mujeres* (“Banking on Women”) in late 2010, IFC has made and mobilized investments and provided expertise to over 50 FIs that, in turn, have granted 658,000 loans to women-owned SMEs worth US \$15.6 billion in South Asia, East Asia & Pacific, Sub-Saharan Africa, Eastern Europe, Central Asia, the Middle East, North Africa, and LAC. In LAC, IFC has supported women entrepreneurs through banks in Brazil, Chile, Costa Rica, Dominican Republic, Ecuador, Colombia, and Mexico.

**Women Entrepreneurship Banking (WEB) - Inter-American Development Bank (IDB)** (Murphy, 2020; Buckland *et al.*, 2019). The **Women Entrepreneurship Banking (WEB)** programme is an initiative led by the Multilateral Investment Fund (MIF) and IDB Invest that relies on the portfolios of local financial entities to take financing, financial knowledge, capacity building, and access to networks to women-led enterprises in LAC. It facilitates access to financial and non-financial services (training, mentoring, and networking) through investment and advisory services for financial intermediaries. The programme benefits also include support for the design of non-financial services for female customers and access to key associations such as FAW. As of 2020, the bank had provided support to 20 banks in 12 countries, approving nearly US \$800 million in investments and US \$5 million in technical assistance to develop and market products and services for women-led MSMEs. The banks participating in the programme are making impressive achievements in terms of improving services for their female customers. Its members include international and local leading entities such as *BAC San José*, *Banco Pichincha*, and *Itaú Unibanco*.

## V.5 Recognize gender stereotypes and unconscious biases and adopt measures to address them

A 2018 study conducted by the International Monetary Fund (IMF) (Sahay *et al.*, 2018) showed that women are underrepresented at all levels of the global financial system, from depositors and borrowers to bank board members and financial regulators. The Global Microscope 2019 report highlights a key fact that should encourage countries to achieve a better gender balance of decision-makers at financial regulators: in 37 of the 55 countries of the study, women accounted for less than 25% of decision-makers in them. This clearly shows FS are designed by teams that do not reflect the needs and diversity of the demand (EIU, 2019).

It is important to recognize the gender stereotypes and unconscious biases that exist in the different institutions of the financial system and adopt measures to address them. FIs must address the impact of gaps reinforced by gender biases (Montoya *et al.*, 2020). Studies have shown the biases of loan officers that favor men can result in lower levels of loan approval for women, even where it has been shown that they are more profitable customers because they have lower delinquency levels and are more loyal to FIs.

It is important to ensure the diversity of teams, because that allows for the incorporation of new perspectives that challenge the assumptions underlying the traditional design and management of financial products and services. All those institutions that have sought to

take a leap by innovating their products and services to serve excluded groups had to go through an **awareness-raising, capacity building, and organizational culture change process to reach women**. In the case of financial institutions, developing products for women's financial inclusion requires an internal reflection process on the diversity of their structures and the inclusive practices of their culture.

Recognizing the existence of biases and making a commitment to challenge them by adapting products, services, communication channels, and access allowed FIs to identify the different barriers faced by women working with banks and, thus, to design comprehensive long-term responses.



### THE CASE OF *BANCO BDH LEÓN*: THE SUCCESS OF A PRODUCT FOR WOMEN CHALLENGES PRECONCEIVED NOTIONS AND CREATES A MOVEMENT FOR THE DESIGN OF A COMPREHENSIVE VALUE OFFER FOR WOMEN - DOMINICAN REPUBLIC

In some institutions, positive results have already led to the design of new products with a gender perspective. An emerging movement is now promoting a shift from “products for women” to adapting parts of products taking into account the particular needs of different groups.

This clearly shows that when it comes to products for women, “positive numbers,” i.e., a business case, can generate interest in incorporating components of those packages into others offered to their customers in general. Successful experiences with women can provide valuable lessons that are now being applied to other products.

*Iniciativa Mujer* (“Women’s Initiative”) is a programme launched by *BHD León* to develop solutions for women specifically designed to address their main concerns. Their solutions were designed around five key objectives in women’s lives: personal and family health, education, home ownership, personal mobility, and business success. Each solution includes a package of credit, savings and insurance offers, as well as other non-financial services.

BHD León identified the opportunity to create a value proposition to fulfill the needs of the women’s segment after the success achieved with the *Mujer BHD León* credit card, launched in late 2012. This motivated their management team to explore the possibility of adopting a broader gender approach. In 2015, the Bank made the official launch of their *Mujer Mujer* (“Woman Woman”) programme. The new gender initiative adopted an inter-departmental approach, which impacted their business model.

In partnership with IFC, BHD León conducted a market research that focused on women to understand their motivations, concerns, and needs. The study showed the different segments of Dominican women had four main concerns:

**Economic independence:** women want to have financial security to improve the quality of their lives and the lives of their families.

**Time-saving:** women want to have more free time and time to spend with their families.

**Family well-being:** women want their children, parents, and spouses to be safe and healthy.

**Individual well-being:** women want to be safe and stay healthy.

Based on these results, they designed a value proposition that placed the needs of their female customers at the center. To succeed in its implementation, the Bank had to adapt its business model and operations. They also changed their segmentation strategy, designed new product packages, upgraded their systems, changed the mindset of their senior management and sales team, and broke paradigms in their marketing initiatives. With the support of the FAW network and IFC, *BHD León* launched its *Mujer Mujer* programme in 2015.

<p><b>BHD has a wide range of financial products and services for women from different segments and in different stages of their lives:</b></p>	<ul style="list-style-type: none"> <li>• Seasonal loans and offers in the areas of health, education, car purchase and repairs, mortgages and business financing.</li> <li>• Tarjeta Mujer (Woman's Credit Card) is a product that also offers female cancer insurance and home repair and maintenance services.</li> <li>• Savings plans to purchase a home, a car or education.</li> <li>• Life, health, car, home and business insurance.</li> </ul>
<p><b>Their financial services offer for women-led MSMEs includes:</b></p>	<ul style="list-style-type: none"> <li>• Training on topics related to the needs of women leading SMEs, including a women entrepreneurship seminar.</li> <li>• <i>Premio Mujeres que Cambian el Mundo</i> ("Women Changing the World Award") is a programme that recognizes and highlights the important role played by women in the country, with a focus on those women who have made a positive impact on their communities or society in general. All the award winners and finalists receive free entrepreneurial and financial advice. For additional information, go to <a href="http://Mujeresquecambianelmundo.com.do">Mujeresquecambianelmundo.com.do</a></li> <li>• <i>Oportunidades OPEN</i> ("OPEN Opportunities") is a service launched amid the pandemic that offers enterprises a space on the bank's website to advertise their products and services, benefit from their web traffic, give visibility to their businesses and grow their customer base.</li> <li>• <i>Mujer Negocio</i> ("Woman Business") is a programme to support women-led MSMEs that provides access to credit to more than 40 women in different lines of business. Their six-month education model includes workshops that provide women with tools to build their leadership, management, and business capacities and increase their sales by 20% on average.</li> <li>• In the case of their individual female customers, <i>BHD León</i> focused on keeping them informed about important current events and sharing information about their products and services. This meant they had to adapt their social media channels to include different messages targeted to women in several key areas: breaking news, information, benefits for their customers, promoting new masculinity, gender violence prevention, and posts on products and services.</li> </ul>

## V.6 Allocate resources for data collection and management to inform the decisions of different stakeholders

The public and private stakeholders of the ecosystem have been working on the review of existing data and have committed to producing additional data to assess the levels of access and use of financial inclusion services. It is important to allocate resources to data collection and management at different levels to inform the coordinated

actions of multiple stakeholders of the system. Governments, intermediary agencies and development FIs have widely recognized the value of having information to assess the situation and guide public policy decisions and the design of sectoral strategies. While most of the countries in the region have not yet institutionalized these practices, financial institutions are clearly making efforts to improve the indicators used to incorporate the inclusion perspective –levels of use and benefit– and, in particular, gender inclusion

### DATA MANAGEMENT BY THE NATIONAL GOVERNMENT

Costa Rica's National Women's Institute (INAMU), in collaboration with ECLAC, developed a government programme that consists of a series of indicators to measure the implementation of the Financial Inclusion Programme with a Gender Perspective for Women in all their Diversity, including aspects such as access to credit, savings and women's participation in the sector. These indicators include the following dimensions: gender gaps in access to credit, financing and savings; financing; integrity; access to passive products or savings; access gap analysis; labor market participation; salary differences and gender equity policies. As a national strategy, there is a higher level of expectation on its measurements, considering it involves the participation of different stakeholders of the ecosystem and the data they will generate. On the other hand, since the design of the initiative recognizes the importance of actions led by multiple stakeholders at different levels, it provides a broad reference framework to monitor the impact different strategies are having on women's financial inclusion.

In the case of FIs, private banks that have developed value propositions based on the methodological definition of multilateral banks or international organizations have been able to develop better indicators to measure financial health, with the aim of

identifying how it contributes to women's economic autonomy. This definition combines measurements of results in access and use of financial and non-financial services.

### KEY DIMENSIONS TO MEASURE FINANCIAL INCLUSION

FIs must measure the impact of their efforts to increase financial inclusion. Three key impact dimensions have been identified: level of access and use of financial products and services, impact on women's financial health and their businesses, and development of commitment, leadership and capacities of institutions to achieve higher levels of inclusion.

## Access and use of products

- Total number of account holders (annual %)
- Total number of loans granted by type and disaggregated by sex (annual % of loans, credit cards, mortgages, etc.).
- Amount approved by type and disaggregated by sex (annual average amount).
- Cross-selling - Number of products in addition to those typically offered to customers opening an account or obtaining a loan.
- % of users of communication and sales channels disaggregated by sex.
- % of female users of special communication and sales channels for products focusing on women.
- Satisfaction index (support, product, and service) disaggregated by sex.

## Impact on women's financial health and their businesses

- Increase in personal savings levels.
- Level of growth (measured by % of business sales, profit margin %, productivity level – define the most relevant depending on the type of business).
- Total number of NFS used.
- Level of participation of MSME loan takers in training courses, mentoring, and technical assistance.
- Number of actions identified by that group that reflect the practical application of knowledge acquired in their businesses.
- Level of participation of women in training courses.
- Level of use of NFS by women (% of use based on number of services used).
- Number of actions identified by women that reflect the practical application of knowledge acquired in their financial decisions (buying insurance products associated with loans, opening savings accounts, investments, etc.).

## Leadership and commitment to financial inclusion

- Disaggregated % of employees by hierarchical level and area.
- Number of affirmative actions implemented to promote women's participation in senior management positions (leadership promotion programmes, access to training/education, mentoring, career development plans, etc.).
- Number of adaptations to products and services (financial and non-financial services and customer service channels) made depending on the profile of women users.



## BUILDING A BUSINESS CASE FOR THE DEVELOPMENT OF A COMBINED FINANCIAL AND NON-FINANCIAL SERVICES PROGRAMME (RETURN ON INVESTMENT)

For those FIs making the decision to develop similar programmes, we recommend working on a series of indicators to identify the viability of investing in this type of actions before allocating more resources to the programme. The following indicators are suggested:

### Increase in interest revenue

- Number of loan takers
- Average loan amount
- Value of loan portfolio

### Revenue greatly exceeds the cost associated with the delivery of NFS

- Average number of products per customer
- Average number of deposits per customer
- Volume of fees of participants and non-participants in NFS
- Volume of fees for NFS

### Consolidating the relationship with the customer

- Disaggregated consolidated net promoter score
- Customer retention rate
- Percentage of inactive accounts
- Satisfaction index (support, product and service) disaggregated by sex.

### Reduced risk portfolio

- Sex-disaggregated portfolio delinquency
- Sex-disaggregated financial margin (difference between revenue and financial costs)
- Portfolio performance (final value divided by initial value)

**Adapted from FMO and IFC (2020)**

This type of measurement has a strategic value. Those involved in the implementation of initiatives refer these data can help improve services for women and develop the business case within FIs. Banks working with these measurements recommend incorporating indicators on the use of products and services in the general periodic reports of institutions, instead of only focusing on specific

programmes for the inclusion of women or women entrepreneurs.

In addition to the FIs' individual efforts, collective data management efforts must be made to address the challenge of increasing women's financial inclusion. Coordination between public and private entities not



only makes it possible to collect more data, but also to cross-measure the impact of programmes, strategies and laws on a population group that wants to grow and become more empowered. In particular contexts like this one, where governments have an urgent need to mitigate the decline in women's levels of employment due to the pandemic and take measures to help small enterprises survive and recover; their policies and programmes would benefit from these coordinated efforts. Comprehensive data management makes it possible to develop more efficient responses and reach women faster. From the banks' perspective, sex-disaggregated data on the supply and demand at the national level make it easier to understand the market, which is the first step in identifying commercial opportunities. The use of sex-disaggregated data on the supply and demand allows banks to understand the needs of different segments of women and, thus, design value propositions to address their particular needs (Global Banking Alliance for Women, 2016).

Few countries have adopted the practice of collecting and analyzing sex-disaggregated data for the development of national strategies. In countries like Chile and Mexico, there have been intense efforts to understand the

reasons for the lack of access to FS that have led to the collection and analysis of sex-disaggregated data, both on the supply and demand of FS, with the aim of developing specific strategies and actions. In the Latin America region, Colombia, Chile, Mexico and Peru have produced a series of reports known as FI Reports, that provide data on the offer of financial services and products that can be used by FIs in these countries (Saavedra, 2020). The WB Global Findex database includes disaggregated data on the demand side, but countries collecting their own data will gain a better understanding of the use of FS by men and women. For example, since 2018 Colombia has been collecting detailed information on microloans (including loan amounts, which allowed them to confirm that women get smaller loans compared to men), and they are currently exploring different strategies to improve women's access to microloans. In Peru, the government collects data on the location of women and their use of savings and credit products. Mexico releases quarterly data on financial inclusion, including low-income women, and Bolivia's financial regulators periodically release sex-disaggregated data on the level of satisfaction with FS (in addition to more general statistics, such as the percentage of women borrowers) (EIU, 2019).

## DATA USE: THE CASES OF CHILE AND MEXICO



### CHILE

**In Chile, the Superintendency of Banks and Financial Institutions has been collecting and analyzing sex disaggregated data since 2001, making it the first country in the world to do a consistent follow-up on sex disaggregated data on the supply side (Global Banking Alliance for Women, 2016).**

- During the early stages of the process, policymakers identified the disaggregation of data sets as a priority to inform public policy decisions and facilitate the control of gender objectives. The government incorporated that gender approach in their current performance management programme and, by 2005, gender goals had become part of the performance system used to incentivize government employees.

- The financial regulator assumed the responsibility of collecting sex-disaggregated data in a single unit and releasing an annual report that highlights the role and presence of women in the financial system. This has resulted in a virtuous cycle where the growing volume of data on the use of FS by women leads policymakers and others to ask more questions and also to increase efforts to collect more data.
- The cooperatives sector also joined this sex-disaggregated data collection trend. Even Chile's banking association has begun to separate women and men in the data on levels of customer satisfaction it collects.
- It is worth noting that data collection by itself is not enough to increase women's financial inclusion. Disaggregated data collection in Chile, for example, has not reduced the gender gap, which, according to Findex, increased from 2% to 6% between 2011 and 2017 (EIU, 2019).



## MÉXICO

In Mexico, the National Banking and Securities Commission (CNBV) has been conducting the National Survey of Financial Inclusion (ENIF) in collaboration with the National Institute of Statistics and Geography (INEGI) since 2012. The ENIF survey, which is conducted every three years, provides information on the demand side and the barriers to access and use of the financial system faced by Mexicans. It also provides inputs for the design of public policies on the use and access of financial products and services, as well as the development of official indicators at the national level that allow public agencies and bodies to conduct assessments and establish short and long term goals.

The survey results show there is a large gender gap in the use of insurance products. On the supply side, the survey results show that 61% of insurance policy holders were men, and only 39% were women. The results on the demand side, on the other hand, show that while insurance coverage among men and women in rural areas is very low (11.5% for men vs. 10% for women), there is a gender gap in urban areas (31% for men vs. 25% for women). The survey also found that both men and women cite price as the main reason for not using insurance products. However, the percentage of women who affirmed they do not know anything about insurance products or where to get them was 20% higher compared to men. In 2013 a new law on insurance institutions was enacted. This law provides more protection to insurance customers in the form of more transparency and information. This means the data can be used to promote the insurance market and monitor the efficacy of these efforts (Global Banking Alliance for Women, 2016).

## **SECTION VI**

## VI. Promising disruptive trends

There is an opportunity to achieve higher levels of financial health and inclusion in two areas where good results have been obtained: increasing levels of access through digital platforms and expanding the comprehensive NFS offer. These two lines of action, which can be combined or followed separately, can help to:

- Expand the base of women linked to the financial system.
- Increase the levels of satisfaction and use of financial products among women who, after having received training, use financial and non-financial services to reduce their levels of vulnerability.
- Develop a critical mass of women entrepreneurs who can receive support to grow their businesses and, during the process, introduce them to more complex financial products and services and investment opportunities.

### VI.1 Technology as a multiplier of support

NFS offered by banks, intermediary organizations, and different areas of government have become a key component of initiatives for women's financial inclusion. In section IV, which describes several success stories on women's financial inclusion, the study referred to the importance of providing integrated packages that include support programmes to achieve

financial health and sharing the experiences of FIs that have adopted them to help women develop money management skills.

Technologies have been a great ally in the context of the pandemic and post-pandemic recovery efforts, but their use to reach unbanked and/or underserved women –the vast majority of whom are at the base of the pyramid– still requires a combination of access channels, support methodologies and practical adjustments to increase the use of FS.

On the other hand, providing support to women microentrepreneurs is essential, first, due to the urgent need to bridge gaps of access to capital for women-led enterprises and, second, due to the impact that the activation of these enterprises has on the construction of the productive fabric of communities. This market segment must shift towards formality to gain access to a broad range of FS and capacity-building support to grow their enterprises. As already explained, this requires coordinated strategies with the participation of different stakeholders to address the challenges faced by this group: access to personal identification documents, smartphones, connectivity, health for women and their families, lack of time, living in places far from urban areas, limited access to learning opportunities and commercial networks, etc.

## PRO-MUJER DIGITAL: A CATALYST OF EDUCATED AND INFORMED WOMEN

This programme was created as part of a partnership between *Pro-Mujer*, an organization that has 20 years of experience in gender inclusion in Latin America, with presence in Argentina, Bolivia, Guatemala, Mexico, Nicaragua, and Peru, and Nimmök Consulting, an international company specializing in the co-creation of digital financial inclusion projects. ***Pro-Mujer Digital*** is a large-scale centralized and sustainable platform that provides transformative tools and resources to women in Latin America throughout their lives, including digital tools designed to empower them and help them thrive.

### The objectives of this initiative are the following:

- Develop a transformative model that can be replicated internationally.
- Digitalize existing banking services and develop new products.
- Expand their reach to underserved market segments and develop new segments.
- Expand current distribution channels and develop new physical and digital channels.
- Take *Pro-Mujer's* services offer to new geographical areas.
- Develop FS together with health and education services to provide a unique user experience.

### To address the challenges involved in their transformation process, *Pro-Mujer* developed a Business Plan that included Argentina, Bolivia, Mexico, and Nicaragua.

### The design of the initiative included:

- An evaluation of *Pro-Mujer's* current operation.
- An analysis of the dynamics of their target markets, the ecosystem, and its stakeholders.
- An assessment of the market opportunity based on findings, international trends, and their institutional assets.
- Building the potential economic scenarios for its implementation.
- Serving segments of existing customers and identifying other underserved or unserved segments.
- Defining the business model, product portfolio, and channels to serve the target segments.
- Developing a business case that can be easily replicated internationally.
- Working together to address financial, education, and health needs.
- Definition of a preliminary implementation roadmap that includes actions to expand *Pro-Mujer's* geographical presence.

### Making adaptations and incorporating them to address the financial management needs of individual customers and microentrepreneurs.

In addition to adapting their existing products to expand their reach and make them available online, complementary financial products were defined to increase access to a product portfolio designed to promote comprehensive financial inclusion, including products such as savings, loans, community bank services, insurance, bank transfers, payments and recharge of prepaid services. This is in addition to their health, financial, technological, and health education services offer.

	Both organizations are working hard on the development of user-friendly channels to increase the frequency of use and accessibility. These channels, which are mainly digital, take advantage of the capacity of popular messaging services such as Facebook and WhatsApp, which are complemented with chatbots that, in addition to facilitating interaction with customers, can receive requests, complaints, and comments, and assist them in solving problems.
<b>Strategic actions to address connectivity and interaction challenges</b>	They are currently in the process of establishing strategic partnerships with public and private institutions to guarantee the delivery of these services. In addition to digital channels, they are developing physical channels to complement the distribution of services. All customer interactions are managed through a CRM system that facilitates the creation of user profiles and the design of personalized offers, and helps them to better understand the needs of their female customers and respond to them.

Initiatives such as *Pro-Mujer Digital* are driving change. These initiatives create an informed demand and facilitate the process of shifting from a reproductive to a productive logic, from informality to formality, from distrust to trust in their own abilities and interactions with other FIs. Many women entrepreneurs will establish a small enterprise and will have access to a value proposition from a public or private bank like the ones presented here. They are also working on a wide range of support alternatives offered by different institutions, each of them with their own particular areas of competence and reach, but working towards the same objective: strengthening women-led businesses to guarantee their economic and financial autonomy.

Organizations working with these unserved sectors are fully aware of the importance of providing NFS, a key experience that must be shared with banks. Banks, particularly private banks, must be aware of the multiplying effect of supporting women-led enterprises, including the creation of jobs, achieving a level of development that allows them to participate in public and private tenders, strengthening the commercial bond with their female customers, and increasing the demand for increasingly complex FS. To this end, efforts must be made to share and disseminate success stories.

A global survey conducted by FMO and IFC (2020), shows that 100% of the 34 banks surveyed offer NFS to small and medium-sized enterprises, and 94% of them outsource them through a range of partners, from training institutions to NGOs to fintechs, and 88% of those banks provide access to markets. And they offer services in the following categories: information, mentoring, networking, markets, and business management technology. A further analysis of the study's findings shows that NFS are good for small and medium-sized enterprises and the FIs that offer them, which have increased their profit margins. The main findings of the study that validate the development of a business case for banks offering NFS focusing on women are the following:

- **Increased interest income from loans:** this can occur through increases in the number of women-led MSME borrowers and increased average loan size and/or the overall loan portfolio value vs. the SME portfolio. Data show the average loan size is 18% higher for women-led SMEs compared to men-led SMEs.
- **Income from loan revenue more than covers the cost of associated NFS:** these services are a tool to reach customers and, therefore, they increase the participation of banks in digital wallets. The key factor

for banks has been ensuring the adaptation of a wide range of products, communications, and services to the market needs. They have found that women who use NFS will use at least two additional products and also that those who have used NFS outperform their male counterparts on deposit growth in multiple banks.

- **Increased loyalty:** banks have reported an increased net promoter score for women using NFS.
- **Risk reduction:** participation in NFS has been associated with a reduction in non-performing loans.

Those institutions that have seen women's performance on the use of FS have realized the value of making conscious and significant investments in the design of models to address the institutional reality of entities providing financial services and women using them. In fact, they recommend incorporating regular monitoring and review strategies into the programme to adapt NFS packages to the changing contexts and industries where women-led enterprises are located, in addition to highlighting their positive impact on performance indicators. Data generated can inform decisions not only to continue but also to expand the programmes. Finally, it is important to emphasize the need to adapt services to changing contexts and different industries.

## VI.2 Fintechs offering women-focused FS

One of the opportunities to increase women's access and financial inclusion that has emerged in recent years is FS delivery through digital channels. And the COVID-19 crisis has accelerated this process.

The WB conducts research on how digital FS contributes to increasing women's economic participation. Some of the benefits of digital FS are the following: 1) payment of salaries through a bank account improves women's ability to control their income; 2) digitalization saves time and reduces administrative costs; 3) they improve

women's ability to make commercial investments; 4) they fulfill women's need for security; 5) they improve women's ability to deal with a crisis by facilitating bank transfers and use of their savings (Global Partnership for Financial Inclusion, 2020). Many banks have joined this trend. According to FAW, all the member banks of the Alliance have adopted digital FS and are supporting their customers so they can use these channels. Banks have also reduced or completely eliminated their digital transaction fees and see this migration as a future opportunity (FAW, 2019).

As part of this disruptive technology and its possibilities, the study reveals the emergence of numerous fintechs, and while not all of them take into consideration the gender perspective in their operations, those who do are realizing the possibility of addressing long-standing challenges such as that of financing for very small – sometimes informal – businesses, bridging the financing gap in the MSME sector, addressing the challenges faced by banks in identifying women-led enterprises and supporting them to grow their businesses through non-financial services. Likewise, women's participation in the investment market is a great opportunity to finance their businesses. To this end, they need to develop long-term investment and financial planning skills.

Access to financing for small (and sometimes informal) businesses, as well as the urgency to reduce the access gap in the SME sector, are both a global and regional issue. The strategies used by the fintech sector to address this challenge focus on the use of credit score algorithms and a follow-up on their repayment behavior to inform central banks and, thus, improve their credit score. One example of this type of strategies in the region is *Juancho te presta* ("Juancho lends you"), which offers loans to employed or self-employed women, who must only show proof of income to guarantee the loan payment. Other fintechs provide services to banks with strategies to reduce discrimination in the artificial intelligence market. Using a tested technology it has used in other sectors, the banking solutions of Eticas,



a fintech based in Barcelona, expose how women are subject to unfair algorithmic treatment and also propose solutions for banks to de-bias their algorithms and serve more women.

As far as reducing the financing gap for MSMEs, the global experience shows efforts to reduce the gap between women-led businesses and banks. Fintechs operate as intermediaries through demand and supply matchmaking services, in addition to developing digital platforms where women-led SMEs can gain the trust of banks and banks can have access to a select group of SMEs with a verifiable credit history.

Finally, it is worth mentioning the efforts of Mujer Financiera (“Financial Woman”), an Argentine fintech start-up for women that provides financial education, business, and personal financial management, and savings and investment products to help women improve their financial management. This platform provides services to different segments, including companies, through financial education talks and workshops for female customers and employees, personal financial coaching, and savings plans for women entrepreneurs. They also offer online business finance courses and downloadable spreadsheets.

Fintechs can definitely contribute to accelerating the process of inclusion due to their ability to develop sustainable, high added-value, low cost, and efficient financial solutions. They can reach unserved segments

in a different fashion and partner with banks that can provide expertise in the field of FS, distribution networks, capital, and licenses. Fintechs created to address the needs of women promise to reach niches of unbanked women or banked women who do not use their services. The following are some of their strengths:

- They are inherently designed as platforms that recognize the particular needs of their target niche of women. They aim at reaching a well-identified group of women based on in-depth research about them and their financial needs, interests, and practices.
- They provide financial and non-financial services, combining women’s learning opportunities with the use of FS.
- They have the capacity to aggregate data and build credit profiles of women who up until then did not have a credit history to be considered creditworthy or eligible for other services.

In this regard, it is worth noting that traditional financial education is no longer enough; it is necessary to incorporate the digital component of such education. Building the capacities of women to use digital financial platforms is imperative for inclusion. And this new trend is opening up many opportunities that can be taken advantage of as long as connectivity is ensured and financial skills are developed.



## FINTECHS DESIGNED TO SERVE THE FEMALE MARKET SUBSEGMENT

*Jefa* and LIDH are two fintechs that entered the market with products designed to increase the inclusion of vulnerable and/or unserved groups. The two of them share the ambition of becoming a bridge between financial products and women, with a different, accessible, and user-friendly platform combined with NFS designed to increase women's financial inclusion.

### JEFA

The aim of this start-up is to serve the segment of unbanked or unserved women in Mexico, a country where regulations favor the creation of digital banking services, most bank services are used by men, and a majority women participate in the labor force and yet do not have bank accounts.

The value offer they seek is that of a full banking experience with insurance and savings products and, in the future, loans, which are services sometimes outsourced to third parties, to ensure women have a full experience with the use of FS.

#### They are working to ensure access to credit by:

- Creating an alternative scoring model to solve the lack of information on women's credit behavior.
- Creating loan access opportunities by building a credit history by using part of the money saved by women.
- Using their digital platform to create savings groups and rotating credit and savings associations.

#### Understand, value, and build

*Jefa* aims to understand what works in the informal market and can be transferred to a cellphone app, so the financial knowledge women have can be capitalized in the formal sector and used to their advantage. Knowledge about the traditional operation of banks can be taught. In this regard, their aim is to formalize women's behaviors in the formal market through a points programme that offers women discounts on products and services through the use of their debit card.

Another example of linking the informal economy to the formal economy is that of providing solutions so women who do not have a bank account can make deposits through local stores participating in a business owners network, that currently has 3,000 agents that can receive deposits all throughout Mexico.

### Financial education

*Jefa* provides information based on what they consider their three pillars of service: daily expense management, building the capacity to recover in difficult times, and wealth creation opportunities.

### Progress indicators they expect to develop in the three pillars

- % of customers saving and how that percentage changes over time, based on products launched and the interventions they have.
- % of customers making budgets, which can be done on their app.
- Number of customers who follow up on their budgets and expenses.
- Other more qualitative indicators such as level of satisfaction with their financial literacy process and trust in their financial management.

### LIDH

This is a fintech start-up focusing on Mexican women, niche, digital native women seeking a different experience with banks, and women seeking to change their lives through financial knowledge and informed decision-making regarding the best way to manage their money. The key to their success is the conviction that women using NFS can transform their lives and their businesses. They operate a platform with an offer of courses and financial advice and organize an annual forum. Their social responsibility programmes offer the same services to rural women owners of microenterprises. It took them three years to develop their model. The COVID-19 pandemic confirmed they were moving in the right direction: a digital channel to reach women.

## **SECTION VII**

## VII. Conclusions

As explained throughout this report, recent times have seen the emergence of public-private dialogue around gaps in women's access to capital, strategic financial services to transform their capacities, and the possibilities the market offers for them to participate in the economy. This discussion has been accelerated by the impact of COVID-19 on women.

The central role of the financial ecosystem is increasingly being looked at with a more critical lens, particularly in terms of its capacity to create transformative movements through the design of tools FIs can use to serve unbanked and/or unserved women that can make a significant contribution to transforming the dynamics of exclusion of the market. The dialogue between public and private stakeholders of the financial and productive ecosystem has led to the identification of good practices that can be summarized in the following statements:

- 1. Multi-stakeholder strategies have the capacity to transform the dynamics of exclusion of the financial ecosystem and, therefore, governments play a decisive role as creators, coordinators, and designers of an enabling framework.**

Effective financial inclusion and access and use of FS largely depend on the context where women live. Therefore, their success does not depend on the financial instrument itself but on a set of actions that allow an instrument to transform the dynamics of exclusion. Financial institutions need incentives to embark on this task through programmes and initiatives designed to build bridges between supply and demand and reduce levels of risk associated with working with vulnerable women. Experiences show that, despite the challenges in the contexts in which these initiatives are implemented, multi-stakeholder agreements represent great opportunities for collaboration. This will increase the body of knowledge about women in all their diversity and will bring innovation to products and services offered and strategies designed to reach women and work with them and for them.

- 2. Women's financial health requires a comprehensive long-term approach with a focus on providing tools to overcome limitations.**

The innovative initiatives presented here have an element in common –the power to challenge and, in many cases, reverse deeply-rooted practices in a system that has failed to recognize the particular realities of women. This translates into a value offer that includes NFS and makes it possible for women to gain access to bank accounts and achieve financial health. A key element in this process of defining services is taking into consideration women's different profiles, the different forms of vulnerability they are exposed to, their current stage in their life cycle, and the level of development of their

businesses. This will allow for the design of long-term strategies, with objectives such as the economic empowerment of women in different stages, and adapting the financial and non-financial services offer to their particularities to develop their future financial security based on their capacity to make informed financial decisions. A central element in these efforts is that of independence and autonomy, with an integrated portfolio of services to increase access and build their financial management capacities, reduce the vulnerability of their businesses and promote their entrepreneurial capacity.

### **3. Financial institutions must coordinate and join efforts to deliver the services women need in the different stages of their journey to financial health.**

A significant part of the efforts of financial institutions has been aimed at the creation of a critical mass of women with financial and business management capacities. This has been mainly possible thanks to a wide offer of financial and non-financial services offered by a single institution or a group of institutions working together. To implement programmes and initiatives to help women improve their financial and business management, it is essential to rely on the knowledge **microfinance institutions** have of these underserved segments and take advantage of their strategic relationship with women at the base of the pyramid. Their contribution is essential to the development of a financially educated critical mass, as well as to the creation of links to the banking sector to facilitate the process of access to more complex FS. Microfinance entities have been and will continue to be key stakeholders in this process because they know the particularities of this population group and are very well positioned to participate in processes for the definition of products and services that allow women to achieve their financial health and act as financial intermediaries. **Development banks**, on the other hand, have shown they can partner with the State in the development of national strategies and the creation of opportunities for women to work with first-tier banks and gain access to FS that allow them to improve their financial management and grow their businesses. They are also key to transforming the dynamics of the financial ecosystem considering that, by helping to increase gender diversity within institutions, they can catalyze the implementation of good practices to serve women by bringing attention to this segment, their particular traits, and the urgency for institutional assessments to meet the unmet demand. Finally, **public and private first-tier banks and financial intermediaries** must continue to implement actions to ensure underserved women in their portfolios have access to a value offer that, on the one hand, recognizes their particularities as a market subsegment and, on the other, leads to decisions regarding the financial and non-financial services offered to increase women's economic autonomy and financial management capacity.

**4. Behind every successful initiative, there is always an organizational culture change process and institutional changes to revalue the role of women in the economy and their knowledge.**

Those stakeholders in the financial ecosystem that seek to implement strategies to increase women's financial inclusion and/or implement gender strategies in their organizations must first and foremost improve the diversity of their teams and the market they serve. Second, to support this process, they must have gender disaggregated information. These actions will make it easier for them to design and implement innovations in their value offer for women. FIs have shown, through different experiences, that creating value offers for the different subsegments of women requires increasing levels of inclusion within organizations themselves and challenging the biases that influence the design of FS and the application and approval processes to access them. In all cases, internal awareness-raising and capacity building strategies were implemented to improve their products, types of communication, and support provided to develop a commercial relationship with groups that are not used to working with banks or have felt neglected by them. In this regard, it is particularly important to highlight the efforts of development FIs, considering they are changing their organizational cultures and, at the same time, creating a domino effect on first-tier banks and other financial intermediaries, which are now adopting this logic to manage those products and services more efficiently.

**5. Information about the demand and performance of the different innovative products and services to meet that demand has a transformative power when it comes to institutions, the process of improving the value offer, and interinstitutional collaboration between different stakeholders of the financial ecosystem.**

The use of information has been and will continue to be a powerful tool to call for action. Information is being used by governments, specialized agencies, and FIs in particular to justify the offer of FS specifically designed for women or improve financial and non-financial services already offered to them. Through the use of data to develop a comprehensive offer that contributes to bridging inclusion gaps, FIs are beginning to incorporate indicators to measure the financial health of women and their businesses, the cost-effectiveness of investing in NFS, and the level of commitment, leadership, and capacities of institutions themselves to increase financial inclusion. This information is key for the development of the business case to invest in services for market subsegments with a logic different from that institutions typically have, as well as to coordinate the efforts of multiple stakeholders of the system to reduce risks associated with working with populations that cannot provide guarantees and are highly exposed to crises.

Consequently, based on the findings in this report and bearing in mind the outstanding challenges, the study can affirm that, in COVID-19 contexts, the financial inclusion of women, particularly those at the base of the pyramid, must be linked to equity, social protection, and economic reactivation policies. The impact of the pandemic led a large sector of the population to an accelerated precarization process, a situation that many countries sought to alleviate through the use of emergency subsidies. This increased the financial inclusion of unbanked women, a large sector of the population, in the financial system. And it also raised the question as to how to ensure the financial inclusion of these women who do not have a steady income and are in a situation of vulnerability. This situation, which contrasts with the concept of financial health referred

to in this report, reaffirms the need to address long-standing issues in the agenda, such as ensuring access to quality free public services and policies to incorporate these women into the labor market. It is urgent to design financial tools, combined with public policies, to help those women hit the hardest to avoid falling in debt, pay off their debts and reactivate their economic activity. On the other hand, there is still a long way to go to consolidate the infrastructure necessary for a more widespread use of financial and non-financial services through their digitalization. Access to technology and its use still represent a gap between formality and informality that can and must be reduced through public-private agreements to create more incentives for FIs to expand their services for women.

## **SECTION VIII**



# VIII. Recommendations for the different stakeholders of the financial ecosystem to promote women's financial inclusion

## VIII.1 Governments

In their role as promoters, leaders, and market regulators, to ensure inclusion and equal opportunities, governments can work in several areas:

- In close coordination with FS regulators, review laws and regulations applicable to the financial market –both traditional and virtual—to identify and eliminate barriers for women, in addition to mobilizing capital to women through the issuance of gender bonds, tax deferrals, cash transfers or low-interest rate loans.
- Ensure the implementation of integral protection systems designed with a gender perspective, which are essential in the current context in LAC and the world and the post-pandemic period.
- Interinstitutional coordination to collect and analyze the financial system's disaggregated data to facilitate access to data by all the ecosystem stakeholders and identify areas of opportunity to bridge those gaps.
- Develop interagency strategies for the development of women-led enterprises by building their capacities, promoting the market sectors where they usually operate and encouraging the creation of businesses in high productivity sectors.
- Encourage the mobilization of capital to women-led MSMEs and cooperatives, especially those made up of rural, indigenous, and Afro-descendant women.
- Promote public procurement with a gender perspective to create opportunities for the

growth of women-led enterprises, providing legal, administrative, and accounting assistance and business management support, among other things, to strengthen micro and small enterprises and increase their access to capital and markets.

- Identify and address legal and administrative challenges that limit women's access to loans, such as access to identity documents and the legal status of their businesses.
- Ensure the availability of the infrastructure and connectivity necessary so women and women entrepreneurs can access financial services. That said, access does not result in additional costs for their enterprises.

## VIII.2 First and second-tier banks

One of the roles of development, public and private banks is that of challenging the market through the introduction of innovative and tailored products designed to build trust and reduce biases related to working with different subsegments of women, particularly those at the base of the pyramid.

### Definition of the value proposition

- Build the profiles of the women's subsegment by joining efforts with public agencies or bodies and women's organizations directly linked to women and their changing needs.

- Use data already available in institutions and connect with those women through an assessment of needs, preferences, and behaviors over time.
- Follow up on a sample of women users of the FS designed to redefine products and services depending on their changing needs.

### Integrated financial and non-financial services offer to ensure access and use

- Provide comprehensive services so women can access and use different financial and non-financial services simultaneously –savings, insurance, credit combined with training, financial and business advice, access to markets–. Take into account the life cycle of women and their businesses and the different vulnerability factors that affect the use of services and their benefits.
- The design of the service offer must combine digitalization with the possibility of contacting the institution's personnel, which is key to breaking barriers and biases and facilitating the use of products and services offered.
- Conduct regular reviews of the impact the context can have on this particular group of female customers, particularly regarding the pandemic, and seek the adaptation of financial and non financial services offered to that context.
- Partner with institutions specializing in helping women build their financial capacities.
- Ensure the diversity of teams in institutions and apply a gender lens to the different processes, from the design to the placement and monitoring of the use of products.

### Institutional alignment

- Promote institutional capacity-building processes to expand the gender lens to all operations.
- Establish a strategic partnership with public and private bodies working directly with groups of women entrepreneurs and women starting a business to

support MSMEs or provide post-pandemic relief.

- Develop evidence to show that women's financial inclusion is not only fair but necessary to rebuild the economy. Most inclusion initiatives have been created in combination with special relief mechanisms and funds linked to strategies to promote women's financial inclusion and access to credit for women entrepreneurs. The ecosystem must develop the evidence necessary to ensure this model is deemed essential for all FIs.
- Implement actions to reduce the biases that affect the number of women applying for loans and the loan approval process.

### Measuring the sustainability of the initiative and its impact

- The use of measurements to assess the product's profitability, access to that product and its use, indicators of changes in women's lives and businesses, as well as commercial indicators, is a good sign that financing programmes with a gender perspective are well oriented.
- Integrate measurement into the design and implementation of the programme or value proposition. Showing a positive impact on performance indicators will help to justify the business case with the senior management, gain support and expand elements of the programme to other general packages offered by the FI.
- Including these indicators in automated reports facilitates their follow-up and analysis.

The principles established in the Paris Joint Declaration by **Public Development Banks** concerning gender equality and the empowerment of women (November 12, 2020) incorporate key recommendations for these institutions, in addition to recognizing existing practices and making a call to their widespread adoption:

- Development and implementation of a gender strategy periodically evaluated and reviewed that

incorporates commitment and actions to ensure inclusion and equal opportunities in personnel management, incorporating the gender perspective and affirmative actions to support women and girls in all programmes, projects, and investments, including the COVID-19 response.

- Increase and reorient financing with a gender lens, establishing goals on the amount provided, as well as building the capacity to follow up on financing provided (percentage and volume).
- Improve dialogue and collaboration with other institutions to work towards gender equality and women's empowerment.

It is essential for those development banks that already have initiatives to promote women's financial inclusion to maintain their role as promoters of good practices in managing financing programmes with a gender perspective operating in countries through lines of credit. These efforts have a multiplying effect because they encourage intermediary financial institutions

to review their practices and introduce innovations to ensure the implementation of those financial instruments and achieve the expected outcomes in terms of women's financial inclusion and their economic autonomy.

### **VIII.3 Private sector (corporations and company-sponsored foundations, boards of trade, professional associations, etc.) and capacity building organizations**

- Develop and strengthen inclusive value chains through the transfer of knowledge to women-led enterprises.
- Act as bridges to opportunities to increase market access and resources available for women entrepreneurs.
- Contribute to the capacity building process and the active creation of links between the private sector –financial institutions, enterprises, boards of trade, etc.– and women to challenge myths around women and their participation in finance and the economy.

# ANNEXES

# Annex I. List of persons interviewed

Laura Fernández	Grupo Fundación Microfinanzas BBVA
Ángela Ma. Panqueva Rodríguez	Bancamía Colombia
Roberto Guirette Saldana	Trust Funds for Rural Development - Institutional Stock Exchange
Sergio Avilés	CABEI
Mélida Mancia and Paola Machuca	Bandesal
Gloria Zarazúa	Banrural Guatemala
Cynthia Castro	Consultant - Costa Rica Financial Inclusion Strategy
Andrea Milla Quesada	INAMU
Carmen Correa	Pro-Mujer
Daniel Navarro	Nimmök Corp.
Florencia Suárez	
Iván Aguado	
Emma Sánchez Andrade Smith	Jefa
Bárbara Arredondo Ayala	LIDH
Pura Méndez	Banco BDH de León RD
Rodrigo de Reyes Lanfranco	Fundación Capital
S. Gabriela Andrade	IDB
Edgard Lara	CAF
Perla Chang	UN Women Guatemala
Paola Gutiérrez	UN Women Ecuador
Ana Lilián Vega	UN Women El Salvador

## Annex II. LAC countries commitments to financial inclusion or financial education policies

COUNTRY	FI YEAR	FE YEAR	GENDER OBJECTIVES
Argentina	2020		<ul style="list-style-type: none"> <li>One of the strategic objectives of the National Financial Inclusion Strategy (ENIF 2020-2023) is to address the issue of access and use of financial services and assets among vulnerable social sectors, such as low-income groups, unemployed workers, popular economy entrepreneurs, older adults, women and LGBTI+ persons, through the following initiatives:</li> <li>Promote credit for vulnerable sectors, bringing financial banking products to low-income sectors, older adults, young people, women and LGBTI+ persons.</li> <li>Develop financial inclusion policies in coordination with the Ministry of Women, Gender and Diversity, the National Directorate of Economy and the National Directorate of Comprehensive Care of the Ministry of Development.</li> </ul>
Brazil	2012	2010	No information available.
Chile <sup>5</sup>	NA	2017	<ul style="list-style-type: none"> <li>Continue to promote Financial and Welfare Education with a gender approach.</li> <li>Incorporate or further work in the area of Financial Education in social and productive development programmes.</li> <li>Provide training to those responsible for the implementation of social programmes providing Financial Education for women. Conduct studies with a gender perspective.</li> <li>The Action Plan of the National Financial Education Strategy includes the following measures: <ul style="list-style-type: none"> <li>Continue to promote Financial and Welfare Education with a gender perspective.</li> <li>Incorporate or further work in the area of Financial Education in social and productive development programmes.</li> <li>Provide training to those responsible for the implementation of social programmes providing Financial Education for women.</li> </ul> </li> </ul>
Colombia	2016	2017	No information available.

<sup>5</sup> Chile does not have a national financial inclusion strategy, but it does have a Financial Education strategy.









<b>Ecuador</b>	<b>2012</b>	<b>2012</b>	No information available.
<b>El Salvador</b>	<b>2021</b>	<b>2021</b>	<ul style="list-style-type: none"> <li>The objective of the National Financial Inclusion Policy is to benefit the most vulnerable population in the country by establishing systems that allow access to agile, easy-to-use and safe financial instruments.</li> </ul>
<b>Guatemala</b>	<b>2019</b>	<b>2019</b>	<ul style="list-style-type: none"> <li>They do not have specific actions or objectives to increase women's financial inclusion.</li> </ul>
<b>Haiti</b>	<b>2014</b>	<b>2015</b>	<ul style="list-style-type: none"> <li>The objective of the national strategy is to increase access to FS for all population segments, particularly those who are still underserved or unserved. Even though women are one of these groups, it does not include specific measures or actions focusing on women.</li> </ul>
<b>Honduras</b>	<b>2015</b>	<b>2015</b>	<ul style="list-style-type: none"> <li>It includes data on women's financial inclusion, but no actions or measures focusing on them.</li> </ul>
<b>Jamaica</b>	<b>2017</b>	<b>2017</b>	<ul style="list-style-type: none"> <li>The strategy does not include specific actions or measures for women; however, it includes sex-disaggregated indicators to measure progress on financial inclusion in the country.</li> </ul>
<b>Mexico</b>	<b>2016</b>	<b>2017</b>	<ul style="list-style-type: none"> <li>One of the objectives of the National Financial Inclusion Policy is to promote the financial inclusion of vulnerable persons such as women, migrants, older adults, indigenous people, and rural populations.</li> <li>The particular strategy focusing on women includes: <ul style="list-style-type: none"> <li>Actions carried out by public and private FIs to promote women's financial inclusion.</li> <li>Promote the representation of women in FIs and financial regulators.</li> <li>Make it mandatory for development banks and institutions to design and operate programmes or products specifically targeted to women.</li> <li>Expand the credit portfolio and increase the number of female customers through the use of a strategic questionnaire and the bank evaluation index.</li> <li>Promote coordination with public and private institutions specializing in gender issues for the development of tailored products for women.</li> </ul> </li> </ul>
<b>Paraguay</b>	<b>2014</b>	<b>2015</b>	<ul style="list-style-type: none"> <li>They do not have specific actions or objectives to increase women's financial inclusion.</li> </ul>

Peru	2015	2017	<ul style="list-style-type: none"> <li>One of the objectives of the strategy is to promote the financial inclusion of the vulnerable population so it can access formal financial services and markets, by implementing actions and measures based on their needs to improve their quality of life. Even though women are considered part of the vulnerable population, their strategy does not include specific objectives or actions to increase women's financial inclusion.</li> </ul>
Uruguay	2014	2012	<ul style="list-style-type: none"> <li>They do not have specific actions or objectives to increase women's financial inclusion.</li> </ul>

Source. Prepared by the authors based on data from CAF, OCDE (2020), and a review of country strategies.



## Annex III. Summary table of initiatives reviewed\*

PROGRAMME NAME	VALUE PROPOSITION FOR WOMEN	 	FINANCIAL PRODUCTS	INSTITUTIONAL ADJUSTMENTS	MEASUREMENT INDICATORS
			NFS		
<b>Fondo Mujer Bandesal</b> <b>El Salvador</b> 	An initiative of the Development Bank of El Salvador (Bandesal) that supports women's financial inclusion through credit, a guarantee fund and training.	 	<ul style="list-style-type: none"> <li>• Direct loans from US \$300 for different segments of women (MSMEs).</li> <li>• Basic and specialized business training on women's rights, personal skills and agricultural technical assistance.</li> </ul>	<ul style="list-style-type: none"> <li>• Training for the group of account executives that serve women.</li> <li>• Implementation of the supervisor role for the random control of businesses incorporated.</li> </ul>	<ul style="list-style-type: none"> <li>• Levels of savings</li> <li>• Business growth</li> <li>• Business efficiency</li> <li>• Type of training received by businesses</li> <li>• Financial indicators to measure return on investment.</li> </ul>
<b>Banca Mujer Banrural</b> <b>Guatemala</b> 	Comprehensive programme to promote women's financial inclusion through tailored financial products and services. Their products and services focus on promoting savings, financing, and the use of technology to increase the banking of women.	 	<ul style="list-style-type: none"> <li>• Señora Cuenta ("Mrs. Account") (savings account); <i>Banrural Mujer Emprende</i> credit card; Microfinanzas para el Desarrollo ("Microfinance for Development") (credit, savings and insurance).</li> <li>• Car rental insurance: exclusive events for women entrepreneurs; <i>Programa de Mujer Emprende Banrural</i>; permanent offers in stores; <i>Club de Señora Cuenta</i> ("Mrs. Account Club"); events and training courses for women, and financial education as part of the Microfinance for Development programme.</li> </ul>	Not applicable (N/A)	N/A

<p><b>Financial inclusion programme with a gender perspective for women in all their diversity</b> <b>Costa Rica</b></p> 	<p>The objective of the programme is to ensure access, effective use, and control of products and services of the national financial system by women in all their diversity for the development of their economic autonomy and financial inclusion, in addition to eliminating gaps between women and men.</p>	 <ul style="list-style-type: none"> <li>The initiative includes a mapping of the offer of financial services and resources for women based on their particular needs.</li> </ul>  <ul style="list-style-type: none"> <li>Training for access and appropriate and efficient use of financial products and services (bank services, insurance, stock market, pensions).</li> <li>Mentoring and counseling platforms, services and methodologies.</li> </ul>	<p>N/A</p>	<ul style="list-style-type: none"> <li>Loans, savings and insurance products</li> <li>Growth in number of female customers</li> <li>Growth of women's loan portfolio</li> <li>Growth in number of women's deposits</li> <li>Products per customer</li> <li>Financial contribution of the Women cluster (in Dominican pesos)</li> </ul> <p>Other indicators:</p> <ul style="list-style-type: none"> <li>Levels of satisfaction</li> <li>Links to other products</li> <li>Penetration of key products</li> <li>Programme positioning</li> <li>Internal gender equity indicators</li> <li>Levels of delinquency and default</li> </ul>
<p><b>Social Gender Bonds, Trust Funds for Rural Development (FIRA)</b> <b>Mexico</b></p> 	<p>The objective of FIRA's Social Gender Bonds is to facilitate access to financing for women through credit and discount operations for agricultural, livestock, poultry, agri-industry and fisheries projects, and other related activities in rural areas.</p>	 <ul style="list-style-type: none"> <li>Agricultural, working capital, financing and secured loans, leasing, factoring, unsecured loans, and short-term loans. They also include agricultural financing and microcredit programmes.</li> <li>Guarantees to mitigate credit risk and actions to promote the participation of intermediaries offering credit.</li> </ul>  <ul style="list-style-type: none"> <li>Training, technical assistance and technology transfer.</li> <li>Access to market information and economic analysis.</li> </ul>	<p>N/A</p>	<p>They are currently working with UN Women on the design of a measurement framework.</p>

### Regional Financing Programme for Women Entrepreneurs (FEM)

Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica, Panama and Belize

The FEM programme provides financing for women who want to start a new business, women owners of MSMEs with a majority of women's assets and women partners and/or with more than 50% of female employees.



- This initiative includes the adaptation of financial products such as loans, savings, insurance, and bank transfers that each bank must operate according to their individual strategies.



- NFS are developed by the different banks participating in the initiative.

Participating banks must adapt their administrative processes to offer the programme's financial products and their benefits.

They use a series of indicators, including the number of women beneficiaries and amounts disbursed.

### Cross-cutting strategy for the economic empowerment of women, Bancamía Colombia



The objective of the programme *Nosotros con Ellas, emprendedoras generando valor* ("We're with the Women, women entrepreneurs creating value") is to improve the value offer for women with a focus on meeting their needs through credit, savings, investment, insurance and credit card products and NFS, such as training for women microentrepreneurs.



- Financial products adapted to the needs of women: savings accounts, investment, debit cards and differentiated credit and insurance products based on the needs of rural and urban women.
- Training and workshops through Fundes' programme *Mujeres con Propósito* ("Women with a Purpose")
- Education services and support strategies for the successful application of knowledge and use of services.







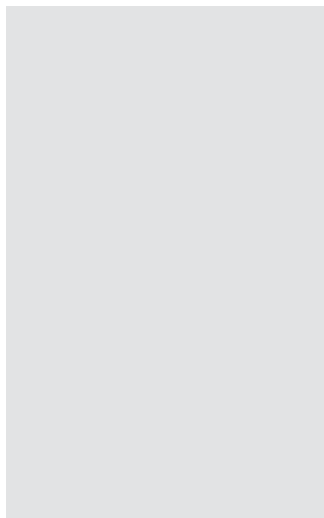
They made changes to their credit product application, approval, and use processes. This was combined with training for personnel working directly with female customers to improve their service. They also opened a bank window exclusive for women.

They implemented a system of data collection indicators and processes to measure impact on:

- The use of financial products and services to measure financial inclusion.
- The lives and businesses of women.

<b>Pro-Mujer Digital</b>	<p><i>Pro-Mujer Digital</i> is a Platform that provides transformative resources and tools to women in Latin America throughout their lives in the form of digital tools to empower them and help them thrive.</p>	<div data-bbox="842 251 905 310"></div> <ul style="list-style-type: none"> <li>• They identified the adaptations necessary for current products to increase their reach and make them digital. They also defined the complementary financial products required to address the financial management needs of individuals and microentrepreneurs.</li> <li>• These include savings and credit products, community bank services, insurance, bank transfers, payments, and recharge of prepaid services.</li> </ul> <div data-bbox="842 657 905 716"></div> <ul style="list-style-type: none"> <li>• The initiative has a range of health, financial education, technological, and health services.</li> </ul>	<p><i>Pro-Mujer</i> partnered with <i>Nimmök Consulting</i>, an international company specializing in the co-creation of digital financial inclusion projects.</p>	<p>They have a system of Indicators and processes to gather data on:</p> <ul style="list-style-type: none"> <li>• Women users</li> <li>• Use</li> <li>• Frequency</li> <li>• Cross-selling</li> <li>• ARPU (average revenue per user)</li> <li>• Socioeconomic impact on the lives and businesses of women</li> </ul>
<b>Fundación Microfinanzas BBVA</b>	<p>The BBVA Microfinance Foundation (<i>Fundación Microfinanzas BBVA</i>) was created in 2007 with the objective of promoting the sustainable development of the most vulnerable entrepreneurs. The Foundation is made up of a group of financial entities (<i>Bancamía, Financiera Confianza, Banco Adopem, Microserfin</i> and <i>Fondo Esperanza Emprende Microfinanzas</i>) and has its corporate headquarters in Madrid. This group defines the Foundation's strategies and policies on corporate governance, digitalization, impact measurement, and control systems implemented by the different financial entities. The Foundation currently supports 2.6 million women entrepreneurs, 60% of whom are women.</p>	<div data-bbox="842 771 905 829"></div> <ul style="list-style-type: none"> <li>• It provides loans for productive activities, loans for rural women and victims of gender violence, group loans with joint and several guarantees, scheduled savings, and services such as business insurance.</li> </ul> <div data-bbox="842 966 905 1024"></div> <ul style="list-style-type: none"> <li>• Legal advice, online and in-person psychological and medical assistance, cancer insurance products and mammograms, agricultural technical assistance, assistance to help children with homework. Training on financial education, business management skills, leadership, use of technologies for their economic activity, marketplace, and gender and business training through entrepreneurship schools.</li> </ul>	<p>Strategies for the empowerment of women with a focus on developing a comprehensive value offer for them that includes non-financial products and services to promote their economic empowerment in three areas: economic independence, self-confidence, self esteem and education, and access to networks.</p>	<p>They have a gender-disaggregated system to increase their impact in three dimensions:</p> <ol style="list-style-type: none"> <li>1. financial health, which includes management of the household's financial resources and assets;</li> <li>2. well-being with a focus on access to basic services and empowerment; and</li> <li>3. business development, with a focus on growth, productivity and asset accumulation. By measuring impact in these three dimensions, the Foundation is able to adapt its strategies on a regular basis to maximize their impact.</li> </ol>

	<p>The foundation is using its endowment for the creation and consolidation of a group of microfinance entities in Latin America, and their returns are reinvested in the Foundation's own activities, without any financial benefits for the BBVA bank.</p>	 <ul style="list-style-type: none"> <li>• Access to networks. It facilitates access to markets through partnerships with suppliers, online sales platforms, and networking with other women entrepreneurs.</li> </ul>		
<p><b>BHD León</b> <b>Dominican Republic</b></p> 	<p>BDH León's <i>Iniciativa Mujer</i> ("Women's Initiative") focuses on the development of solutions for women specifically designed to address their main concerns and needs. Its solutions were designed around five key objectives in women's lives: personal and family health, education, homeownership, personal mobility, and business success. Each solution includes a package of credit, savings and insurance offers, as well as other non-financial services.</p>	 <ul style="list-style-type: none"> <li>• The <i>Mujer</i> ("Women") programme provides seasonal loans and offers in the areas of health, education, car purchase and repairs, mortgages, and business financing.</li> <li>• <i>Tarjeta Mujer</i> ("Women's Card") is a product that also offers female cancer insurance and home repair and maintenance services.</li> <li>• It offers savings plans to purchase a home, a car, or education and life, health, car, home, and business insurance.</li> </ul>  <ul style="list-style-type: none"> <li>• Training on topics related to the needs of women leading SMEs, including a seminar on women entrepreneurship.</li> <li>• <i>Premio Mujeres que Cambian el Mundo</i> ("Women Changing the World Award") is a programme that recognizes the important role played by women in the country, with a focus on those women who have made a positive impact on their communities or society in general. It includes free entrepreneurial and financial advice.</li> </ul>	<p><i>BHD León</i> adapted its business model and operations, changed its segmentation strategy, designed new product packages, upgraded its systems, changed the mindset of their senior management and sales team, and broke paradigms in its marketing initiatives.</p>	<p>They have a system to measure the efficacy of <i>Programa Mujer</i> that includes the following indicators:</p> <ul style="list-style-type: none"> <li>• Loans, savings, and insurance products</li> <li>• Growth in the number of female customers</li> <li>• Growth of women's loan portfolio</li> <li>• Growth in women's deposits</li> <li>• Products per customer</li> <li>• Financial contribution of the Women cluster (in Dominican pesos)</li> </ul> <p>Other indicators:</p> <ul style="list-style-type: none"> <li>• Levels of satisfaction</li> <li>• Links to other products</li> <li>• Penetration of key products</li> <li>• Programme positioning</li> <li>• Internal gender equity indicators</li> <li>• Levels of delinquency and default</li> </ul>



- *Oportunidades OPEN* (“OPEN Opportunities”) is a service created in the context of the pandemic that offers businesses a space on the bank’s website to advertise their products and services, give visibility to their business and grow their customer base.
- *Mujer Negocio* (“Woman Business”) is a programme to support women-led MSMEs that provides credit combined with workshops that offer tools to build women’s leadership and management competencies and their business skills

\*\*The review includes initiatives in operation at the moment of the interview.

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