ECONOMIC EMPOWERMENT

UN WOMEN

LATIN AMERICA AND THE CARIBBEAN

POLICY BRIEF

WOMEN'S FINANCIAL INCLUSION

Keys to a transformative post-COVID-19 economic recovery in Latin America and the Caribbean[1]

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EXECUTIVE SUMMARY

This document addresses the impacts of the COVID-19 health crisis on women, particularly considering they are not included equally in the financial sector. It highlights how women's levels of financial inclusion in the region were, and continue to be, a vulnerability factor that is hindering their economic autonomy and the post-COVID-19 recovery. It shares a series of initiatives implemented in different sectors to cushion the impact of the pandemic on women's financial health and points to the multiple challenges we must still overcome. Bearing in mind the need to build women's financial health as a key objective, the document issues a series of recommendations for governments to collaborate with financial institutions and stakeholders from the productive sector to develop a financial inclusion agenda to bridge women's financial participation gap in the financial sector and translate their participation into tangible benefits for their lives and businesses.

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WHY IS IT IMPORTANT TO TALK ABOUT FINANCIAL INCLUSION?

Gender-responsive financial inclusion is the process by which public and private initiatives are designed and implemented to reduce the barriers that women face in accessing and using financial products and financial products and services and use them to gain financial autonomy and manage crises that impact their lives and businesses.

The process of financial inclusion with a gender perspective should enable women to achieve financial health. In this sense, the management of their finances should entail a transformation in how women perceive themselves regarding their relation to the workplace and money and how they are and how they are perceived and, therefore, recognized by others.

Financial services: all those economic services provided by public and private institutions of the financial ecosystem, related to the management of people's income or the expectations that they may have, in order to generate economic growth and reduce the users' situations of vulnerability. These services include credit and savings accounts, investments, insurance, guarantees, payment services, among others.

Non-financial services: these are all those services that accompany the provision of financial services in order to guarantee their use, reducing situations of vulnerability and leveraging their use to achieve financial health. Examples are training services, technical assistance and advisory services, among others.

Looking at financial inclusion from a gender perspective requires reflecting on the scope of these initiatives to reduce access barriers to financial products and services faced by women, their use to develop their financial autonomy and their ability to deal with crises that affect their lives and businesses. Initiatives designed with this perspective should allow women to achieve their financial health through different financial and non-financial strategies. In other words, women's financial management should help them transform the way they perceive themselves concerning the world of work and money and how they are perceived and recognized by others.

The issue of women's financial inclusion is closely linked to their integration into the labor market, where we can identify two vicious cycles:

- Women's integration into the labor market faces multiple obstacles: they are overrepresented in less productive sectors of the economy, face access barriers to decision-making positions, are concentrated in informal jobs and small businesses, and have lower salaries. In addition, they face more difficulties accessing and using financial and investment services, which limits their ability to deal with the crisis. Another challenge that reinforces these obstacles is the excessive time they dedicate to domestic and care work, limiting their full participation in the labor market, their possibilities of receiving higher salaries, and their access to decision-making positions.

- Women-led enterprises face a gap in access to productive credit that limits their investment capacity and growth potential. If their businesses do not grow, women are not only excluded from the market; it is also more difficult for them to meet the eligibility requirements to access credit and other financial services.

Addressing the close relationship between the labor market and the financial sector is critical because women have less financial security, fewer opportunities to be financially resilient, and are overrepresented in low-income sectors.[2] Women's financial inclusion gives them access to services, opportunities, and experiences that can help them build capacities to reach their economic autonomy and increase their participation in the economy. For this reason, it is essential to ensure that economic reactivation policies and policies aimed at mitigating the impact of the pandemic consider these structural gaps from their inception, promote mechanisms to address them and, thus, contribute to increasing women's participation in the economy, their financial inclusion, and their country's GDP.[3]

Increasing women's financial inclusion in the context of economic recovery requires, on the one hand, increasing access to and the use of financial services by employed women, women entrepreneurs, women business owners and independent professionals, in addition to quality financial education, so they can make informed decisions to protect their financial health. On the other hand, it requires focusing on productive reactivation and the inclusion of women entrepreneurs and business owners so they can gain access to capital to start, recover or redirect their businesses, in addition to ensuring they obtain the financial knowledge they need to manage their businesses.

THE IMPACT OF COVID-19 ACCELERATES THE FINANCIAL INCLUSION AGENDA IN COUNTRIES IN THE REGION

The pandemic had a differentiated impact on women, highlighting the levels of vulnerability to which they are exposed. That impact was compounded by the high levels of inequality in the productive sector that limit their possibilities of access to opportunities and resources that could make it easier for them to deal with moments of crisis. According to the 2017 Global Findex Database report, before the pandemic, 51% of women in Latin America and the Caribbean did not own a bank account, only 10% had access to credit, and 11% had some formal saving.[4] Thus, gaps in access to financial services that existed prior to the pandemic in many cases led, as a result of the COVID-19 health crisis, to strategies to maintain the availability of essential functions such as managing payments and bank transactions, which many women depended on to provide for their families.

In this regard, the crisis caused by the pandemic has exposed the critical situation experienced by groups of low-income women with no savings or access to financial products to cushion the impact of the pandemic. Some of the multiple causes that explain their lower level of financial resilience include the following: First, women

2 AFI (2020). Why the economic response to COVID-19 needs to be financially inclusive and gender-sensitive.

3 Era Dabla-Norris and Kalpana Kochhar, Closing the gender gap. (2016). Finance and Development, International Monetary Fund.

4 CAF (2017). Mujeres y financiamiento.

bear a higher burden of domestic work and unpaid care, which also affects paid domestic workers. This burden grew exponentially inside households as work conditions became more precarious. A study of the World Bank's Gender Innovation Lab for Latin America and the Caribbean (LACGIL) points to differentiating factors for women and men associated with resilience to job losses during the crisis. It also shows that the presence of school-aged children in the household is linked to an increased likelihood of job loss for women but not for men.[5] Second, due to their more prominent presence in the informal economy and the existence of weaker social protection systems, women have been more affected by the lack of income and have faced more access barriers to health. Third, women have been affected by higher unemployment rates due to their participation in less profitable sectors of the economy that were hardest hit by the crisis, such as services, retail, tourism, restaurants, or paid domestic work.

According to the latest financial capacity survey conducted by CAF,[6] women's level of financial resilience is, on average, 9% lower than men. This inequality is also associated with a differential in levels of financial knowledge (financial capacity building) and a significant difference in women's trust in the financial system. This lower financial resilience has an impact on the development of their businesses and the lack of financial and non-financial products suitable for women's business profiles forces them to invest, in the best case scenario, with their savings, personal loans, and for many the only option is the informal market or simply not being able to meet the needs of their businesses.

HOW TO ACCELERATE THE PROCESS OF WOMEN'S FINANCIAL INCLUSION

The authorities responsible for designing policies and regulations for financial inclusion play a key role in influencing women's ability to access and benefit from available financial services. Incorporating the gender perspective into the design of policies, programmes and regulations has a direct impact on women's ability to achieve their financial health. For this reason, working at the level of the financial ecosystem is essential because success does not depend on a single financial instrument but on a series of actions that allow that ecosystem to transform the dynamics of exclusion, which must be understood not only from a gender perspective, but also from an intersectionality approach, analyzing the different elements of discrimination that affect women differently, such as race, ethnicity, age, migratory status, and social class, among others.

To initiate the process to increase women's financial inclusion and address the mismatch between supply and demand, it is necessary to address three dimensions:

- **Relationship between supply and demand.** Are women's needs being met, taking into consideration their diversity? Do the different stakeholders in the ecosystem have the capacity to promote inclusion effectively?

- **Policy framework.** Do financial and sectoral policies and national strategies favor women's financial

5 Banco Mundial (2021). Laboratorio de Innovación de Género para América Latina y Caribe, COVID-19 y el mercado laboral de América Latina y el Caribe: impactos diferenciados por género.

6 CAF (2021). Vulnerabilidad financiera: Brechas de género en América Latina.

inclusion? Do regulations reduce or increase access barriers and use?

- **Actions that guarantee access, use and quality of financial and non-financial products and services.** How do financial products and services reach women and what capacities do they have to take advantage of them? How is the supply of financial products and services articulated with non-financial services appropriate to women's needs, catalyzing transformation?

On the supply side, this requires:

- **Reviewing rules and regulations**, particularly eligibility requirements to access a financial service: physical and economic access (transaction costs). This is a key aspect, considering that the costs associated with bankarization and the use of financial products usually pose a significant limitation.

- **Designing a comprehensive value offer**, in other words, a combination of financial services (saving, credit, insurance, mortgages) and non-financial service enhancers (for example, digital financial education) to develop, on the one hand, a relationship of trust between the institution and the women, as well as between them and the management of their money. On the other hand, to facilitate support processes for women-led enterprises that need targeted assistance to reactivate their businesses.

- **Market segmentation.** To complexify services in order to generate data-driven solutions for women's diverse demand. Moving towards digital financial inclusion requires access to affordable and robust internet services, web-enabled devices, digital literacy training, technical support, applications and online content designed to enable and encourage self-reliance, participation and collaboration.[7]

These actions should include both traditional banking and microfinance institutions, as well as the rapidly emerging digital financial service providers -fintech-.

On the demand side, it is necessary to work intensely on women's integration into the labor market to:

- **Intensify and sustain existing efforts to increase women's integration into the labor market.** On the one hand, it is important to work on equal and formal access to employment (equal salaries, parity in decision-making posts, equal opportunity training, policies to achieve a positive work-life balance, sharing care tasks with men, etc.). On the other, it is necessary to support female entrepreneurship (access to productive capital, market opportunities and resources), including relief measures for women entrepreneurs and women-led businesses, identifying the differentiated impact of the pandemic in different contexts, but mainly on micro and small enterprises in the process of growing.

- **Fiscal relief measures** such as tax deferrals, cash transfers, or loans in favorable conditions, particularly for those sectors with a significant representation of women, would create conditions to sustain employment. Provide direct support to women-led enterprises with a particular focus on the micro and small enterprises sector, which is the segment where they are concentrated the most.[8]

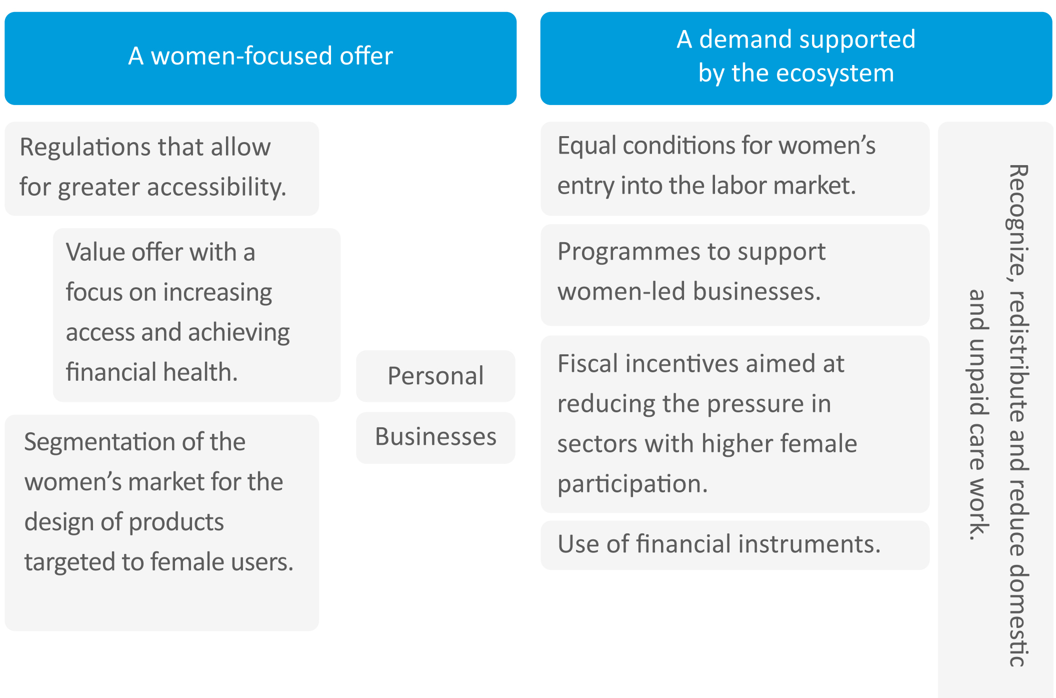
7 Mastercard (2020). The acceleration of financial inclusion during the COVID-19 pandemic: Bringing hidden opportunities to light.

8 Bhatia, A. (2020). ¿Dónde están los estímulos económicos para las mujeres en esta pandemia?

- **Provide incentives for using financial instruments** through digital and financial capacity building: education and technological tools for business management (advisory, mentoring, business model development, financial needs assessments, etc.), providing information about financial products and their application to increase their trust in the financial system.

- **Address women's excessive burden of domestic and unpaid care work**, which increased during the pandemic. A public-private approach should promote universal access to quality services (such as childcare and early childhood education and care of older persons or people living with disabilities) so that women can dedicate more time to their businesses. Continue efforts to reverse inequalities, including the unequal division of labor in households, the gender pay gap, and the widespread undervaluing of women's work.[9]

In summary, addressing women's financial health needs requires actions on the supply and demand side to bring them closer, increase trust and reduce financial inclusion gaps.



9 **Azcona, G., Bhatt, A., Encarnacion, J., Plazaola-Castaño, J., Seck, P., Staab, S., and Turquet L. (2020). From insights to action: Gender equality in the wake of COVID-19.**

EMERGING RESPONSES IN THE REGION

Faced with the challenges posed by the impact that the pandemic has had on women and their businesses, as well as by the close interrelationship between women's financial capabilities and their participation in the labor market, the following actions have been taken in the region to implement financial inclusion and health processes.

Governments actions

Some governments have assumed the primary responsibility of responding to the particular needs of women, either directly or indirectly, by focusing on inefficiencies on the supply side (mainly those related to requirements and access channels), leading multi-stakeholder actions to increase access to financing, reducing the tax burden, and promoting policies to recognize, reduce and redistribute the unpaid care work burden. This type of action is very important because they create incentives for the private sector, both enterprises, and financial institutions, to implement value offers adapted to women and their businesses. The following are some examples of these actions:

- **Access to bank services.** The pandemic exposed the low level of bankarization of low-income populations, particularly women. As part of the implementation of conditional and non-conditional cash transfer policies throughout the region, governments had the need to develop processes for the opening of bank accounts to transfer funds to beneficiary families, which in turn led to an increase in banking levels. Argentina, for example, reported an increase in cash transfers equivalent to an additional payment of the Universal Child Allowance (AUH) and the Universal Pregnancy Allowance, with priority given to women beneficiaries in households. The Argentine government also implemented the programme *Renta Familiar de Emergencia* (“Emergency Household Income”), which provides financial support to unemployed persons and informal and domestic workers (registered or not), prioritizing women.[10] Bolivia created the programme *Bono contra el Hambre* (“Subsidy against Hunger”), favoring Bolivian citizens over the age of 18 living in the country and not receiving a salary. The subsidy was made available to all the women beneficiaries of the Universal Subsidy programme and women beneficiaries of the *Bono Juana Azurduy* (a cash transfer programme), among others.[11]

- **Initiatives and policies focusing on women-led enterprises recovery and support.** In Colombia, *Fondo Mujer Emprende* (“Woman Entrepreneur Fund”)[12], created during the pandemic, supports rural and urban women so they can expand their businesses through financing for machinery and supplies.[13] In Chile, as part of the Reactivation Support Program (PAR-Impulsa), the government has launched calls for proposals to subsidize women-led MSMEs so

10 Gentilini, U., Almenfi, M., and Dale P. (2020). World Bank. Social Protection and Jobs Responses to COVID-19: A Real-Time Review of Country Measures.

11 Bolivia (2020). Decreto Supremo Nº 4392, 13 de noviembre.
Bolivia (2020). Ley de bono contra el hambre, 16 de septiembre.

12 This is a USD $20 million public trust fund for women entrepreneurs and women-led enterprises, with funds from the national budget, international cooperation and the business sector.

13 Mincomercio (Ministerio de Comercio, Industria y Turismo de Colombia) (2021). "Se activa el Fondo Mujer Emprende: ¡emprendedoras ya pueden proyectarse como empresarias!" [on line].

women can reactivate, convert or digitalize their businesses.[14] Through these actions, governments are coordinating actions/programmes to support and promote MSMEs and build the capacities of the women leading them.

- **Initiatives providing incentives to increase access to capital by women-led MSMEs.** One of these initiatives involves using guarantee funds, which allow financial institutions to reduce the risk associated with serving market segments that do not meet standard market requirements. One particular example is a joint initiative led by CABEI, UN Women and the Italian Agency for Development Cooperation (AICS), which consists of a guarantee fund for USD $1 million that is available to women-led MSMEs in Central America through the Women, Local Economy and Territories (WLEaT) programme. Its resources, managed by CABEI, facilitate women's access to loans and other financial instruments with better interest rates and terms. Gender bonds are another example that attract investors to investments with a gender lens, including women-led enterprises, enterprises promoting gender equality or businesses developing products for women. Commercial banks and multilateral development banks are making investments with a gender approach through gender bonds.15 In the LAC region, IDB Invest has been critical in the issuance of gender bonds: it issued four bonds together with *Banistmo* in Panama in 2019 – the first issuance in Latin America–, and together with *Davivienda* and *Banco W* in Colombia, and *Caja Arequipa* in Peru, in 2020.[16]

- **Actions related to the care economy to facilitate women's entry into the labor market.** Some governments in the region have implemented measures to reduce the negative impact of women's excessive burden of care, which grew exponentially due to the pandemic. For example, the government of Costa Rica's centers of the National Child Care and Development Network (REDCUDI) remained open so people could continue to use their services and also to lessen the burden of care tasks for parents, caregivers or their family support networks, particularly in the case of older adults at a higher risk of contracting COVID-19.[17] As a result of a review of paid leave requirements, Bolivia created a paid leave for workers with dependent children under the age of 5 who must care for them due to the health emergency. Similar initiatives can also be found in Argentina, Chile, Cuba and Trinidad and Tobago.

Actions by institutions of the financial ecosystem

In the case of institutions that are part of the financial ecosystem, specific responses to promote financial inclusion and mitigate the impact of COVID-19 on women were mainly implemented by institutions that were already working with the segment of women or working with a gender perspective.

14 ECLAC (2021). Measures and actions promoted by the Governments of Latin America and the Caribbean against COVID-19 in key areas for the autonomy of women and gender equality-

15 Financial Alliance for Women (2019). The Growing Power of Gender Lens Investment.

16 IDB Invest (2021). IDB Invest Issues First Gender Bond to Finance Projects Supporting Women in Latin America & the Caribbean.

17 CEPAL and UN Women (2021). Medidas y acciones impulsadas por los Gobiernos de América Latina y el Caribe frente al COVID-19 en áreas clave para la autonomía de las mujeres y la igualdad de género.

For example, *Fundación Microfinanzas BBVA* and its member microfinance companies[18] adapted their value offer for women in light of the new COVID-19 reality. They promoted the digitalization of processes by which they contact their customers (via WhatsApp, cell phone and online sessions) and developed online financial education programmes as well as programmes aimed at the reactivation or reinvention of women-led businesses. To reduce the digital gender gap, they also established partnerships with public and private entities for the development of digital sovereignty and financial literacy programmes to facilitate access to cell phones and/or data plans, in addition to training users to gain more confidence in the use of that technology.[19]

Another initiative to promote the digitalization of services is *Pro-Mujer Digital*, a centralized platform created as part of a partnership between *Pro-Mujer*[20] and *Nimmök Consulting*[21], a consultancy firm focusing on the digitalization of existing products and the development of new complementary products to increase access to a product portfolio designed to increase financial inclusion, including savings, credit, communal banking, insurance and transfer products and recharge of prepaid services. This is in addition to their health, financial, technological and health education services offer.[22]

Challenge the initiative seeks to address	Stakeholders	Policies / Initiatives	Countries and regions that have implemented measures with a gender perspective
Access to accounts and financial services for women at the base of the pyramid		Income transfer policies (conditional and unconditional) the main measure implemented by most countries.	Antigua and Barbuda, Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Ecuador, Guatemala, Jamaica, Paraguay, Peru, Saint Lucia and Uruguay
Support for women-led micro, small and medium-sized enterprises (MSMEs)		Initiatives and policies focusing on women-led enterprises recovery and support: • Capital injections: government loans to enterprises • Tax deferral measures • Credit/loan payment deferral • Lines of credit or additional liquidity offered by financial institutions • Loan guarantees • Tax reduction / exemptions	Aruba, Colombia, Costa Rica, Dominican Republic, Jamaica, Mexico, Trinidad and Tobago, Uruguay

18 The Foundation has members in Colombia, Peru, Panama, Dominican Republic and Chile.
19 FMBBVA. Informe de Desempeño Social 2020.
20 This organization has 20 years of experience in gender inclusion projects in Latin America and has presence in Argentina, Bolivia, Guatemala, Mexico, Nicaragua and Peru.
21 It specializes in the co-creation of digital financial inclusion projects.
22 UN Women (2021). Finance for all Women: Innovative Experiences and Initiatives to Promote Financial Inclusion with Gender Lenses.

Challenge the initiative seeks to address	Stakeholders	Policies / Initiatives	Countries and regions that have implemented measures with a gender perspective
	Governments, Banks, Private financial institutions - microfinance companies	Guarantee fund to facilitate the access by women-led enterprises to loans with better interest rates and terms	Central America
	Governments, Banks, Private financial institutions - microfinance companies	Gender bonds	Panama, Colombia, Peru
	Private financial institutions - microfinance companies	Digitalization of financial and non-financial services to overcome mobility restrictions due to the COVID-19 pandemic	Latin America
Care Economy	Governments	Policies to address challenges related to the care economy focused on: • Long-term care for older persons and people living with disabilities • Childcare services, including for essential workers • Family / parental childcare leave • Paid sick leave • Cash-for-care schemes	Argentina, Barbados, Bolivia, Chile, Costa Rica, Cuba, Guyana, Mexico, Peru, Trinidad and Tobago

Governments

Banks

Private financial institutions - microfinance companies

RECOMMENDATIONS FOR A PROACTIVE FINANCIAL INCLUSION AGENDA IN TIMES OF RECOVERY

Women's lower level of financial resilience, which is determined by structural economic gaps, left women and their businesses exposed. Efforts to address the impact of the pandemic must include monetary and fiscal measures to reduce the effects of the crisis, including social and care services, financial support, liquidity support and preserving employment for women entrepreneurs and women starting a business, with a particular focus on MSMEs.

To this end, governments must create a strong policy framework to promote an inclusive financial and productive ecosystem, and lead actions to increase access to financing, knowledge and technology to support women's economic autonomy. It is urgent to increase efforts to mainstream the gender perspective through national and institutional policies and strategies, in addition to innovative instruments and products to materialize a value offer targeted to women's subsegments and identify different needs based on the life cycle of women and their businesses. To do this, governments, in their capacity as regulators, and financial institutions, can rely on intermediary and capacity building organizations to reach women and, through them, implement innovation processes and develop new trends in the private sector.

An agenda for reconstruction with financial inclusion must involve multiple stakeholders and be implemented and evaluated collaboratively. The following are some recommendations, including the identification of stakeholders that should play a key role in their management and implementation.

1. **Develop and strengthen a policy and legislative framework to enable financial inclusion.**

   States must create policy frameworks to reduce barriers to inclusion, facilitating the implementation of women's financial inclusion strategies and promoting women's businesses, improving regulation, reducing bureaucratic barriers and strengthening supervision in aspects relevant to financial inclusion, including the expansion of digital financial services. These policy frameworks should also provide incentives to facilitate access to capital by women-led MSMEs.

2. **Promote the development of national financial inclusion policies with a gender perspective.**

   To promote financial inclusion policies with a gender perspective, governments can start by identifying the barriers creating gaps in the sector. To this end, the collection and monitoring of sex-disaggregated data to measure access –levels of bankarization– and the use of financial services, and cross-reference those data to other indicators such as age, race, ethnicity, employment and education is recommended. The financial inclusion policy must be the result of the collective definition of women's needs and agreements between public and private stakeholders of the national financial ecosystem. Therefore, the design of these policies must consider opportunities for dialogue and consultation. Likewise, the policy must provide incentives to maintain public-private efforts to achieve women's financial health. Multi-stakeholder agreements for a financial inclusion policy must include considerations regarding physical and digital channels, rules of access –eligibility–, financial services to build and protect women's financial health (helping them to avoid overindebtedness and promoting the use of products to help them deal with context and personal crises), and non-financial services, such as financial education and others, linked to the financial products offered.

Regulators, traditional financial institutions and financial service providers can support the policy with supervisory systems to monitor progress in policy implementation. However, there needs to be an acknowledgement of the high cost it entails, which often constitutes a barrier. It is important to find possible strategies for data production and management that allow the development of value offers for different segments. Their commitment is key to achieving a tangible change in the financial ecosystem.

3. **Incorporate innovation in traditional financial institutions, both in terms of their products and access channels, get financial and non-financial service providers to work together and adopt regulations to meet the unserved and invisible demand.**

Institutions that are part of the financial ecosystem must develop value offers targeted to women and their business, regardless of their enterprises' economic segment and size. This can be done either directly or through the open banking model. The emergence of digitalization trends and new hybrid schemes (the combination of contact points with digital services) is an opportunity to think about the quality of financial products offered and design them based on the analysis of data on women's behavior as part of their portfolios, to understand their financial behaviors and adapt their products.

Governments and regulators play a key role in the promotion of open ecosystems as safe places where users can share data and create more opportunities to increase women's access to financial services. It is important to recognize the potential of fintech companies to promote financial inclusion. Fintechs can serve different subsegments of women and initiating them in a gradual process of incorporation into the formal financial system. They can also make strategic use of the information they have on the demand for the agile and flexible design of alternative scoring, savings, credit and investment models based on different profiles, which represents an opportunity to give a financial identity to women and their businesses. Finally, it is essential to highlight the importance of updating regulatory and legal frameworks for digital and online payments, protecting privacy, and generating trust.

4. **Combine financial inclusion policies with policies and programmes to promote employment and productivity and achieve financial health.**

To incentivize women's financial inclusion processes that also promote their financial health, it is recommended that governments introduce policies and programmes designed to empower women-led enterprises and businesses, inclusive enterprises and value chains with a high representation of women. The incorporation of fiscal incentives, as well as access to non-financial services, including the generation of an enabling ecosystem, broadens the possibilities for these businesses to access financial services (mainly credit and investment).

Public and private institutions leading strategies to inject capital to MSMEs in the process of growing must know the profiles of women entrepreneurs and their businesses to provide technical assistance and financial services based on their financing needs and their size and development stage. Women-focused investments must be combined with strategies that allow women to grow their businesses and build capacities to respond to impacts.

Efforts to increase women's access to capital and non-financial services can be combined with a stimulus for the market to promote equal conditions in public bidding processes. In their capacity as market regulators, governments can create opportunities for small businesses by adapting bureaucratic processes, the size of contracts, access channels, etc. This will allow small businesses to enter the market and increase their sales and possibilities of access to financial services.

Financial institutions serving micro and small enterprises can support women-led businesses by combining financial and non-financial services, such as advice on digital transformation, so they can implement digital standards in their business models and can remain profitable in the post-COVID-19 context.

5. **Implement support measures to recognize, reduce and redistribute care work and reinforce efforts to achieve economic autonomy and financial inclusion.**

Given the direct relation that exists between the amount of time dedicated to care work and the recovery capacity of women-led businesses and enterprises, governments must promote comprehensive care policies and systems, as well as public-private partnerships, to develop a quality and accessible care services offer. It is essential to work actively to eliminate this barrier to women's entry into the labor market while building the recovery capacity of their businesses and increasing their ability to retain their women employees, which would translate into an economic recovery.

Thus, companies must innovate and find ways to support their employees in their care-taking responsibilities, adapted to the new contexts created by the pandemic, by promoting flexible arrangements and measures for reconciliation and shared responsibility as part of their human resources management and policies with a gender perspective.

6. **Incorporate the gender perspective into digital financial services, considering access gaps resulting from the lack of infrastructure and digital capacities.**

Incorporating the gender perspective into digital financial services is extremely important to bridge two overlapping types of gaps that, in the case of women, reinforce each other: financial and digital gaps. This must be combined with digital financial education actions and measures to guarantee connectivity and access to smartphones, in addition to reducing communication barriers through a combination of physical branches and digital transactions. On the other hand, digital platforms providing financial services must systematically incorporate the gender perspective in developing algorithms to calculate credit scores, develop user profiles, etc. The process of developing these algorithms is not neutral; it is influenced by their creators.

Governments should introduce long-term digital infrastructure plans, or at least provide the conditions for these to be developed by private sector, and provide a regulatory framework that promotes public-private coordination to ensure universal and affordable access to high-quality Internet access. They should work with financial institutions or financial services organizations to create the necessary conditions to ensure connectivity and access to computers and cell phones. They should also work together with telecommunication providers to create the neccessary conditions to design plans for the expansion of cellular networks.

7. **Implement financial and digital education actions and programmes to promote women's financial health.**

   Institutions in the financial ecosystem must work together with governments to promote financial education programmes designed to increase financial knowledge applied to businesses, provide expense and savings planning tools, and reduce fear and mistrust, among other things.

   They should also support processes for the incorporation and increased use of services through digital platforms and financial education, including their role as intermediaries, and assist in building the digital capacities required to ensure the inclusion of women who lack this knowledge. Digital knowledge and skills will allow women to use these services and leverage innovations in the management of their businesses.

   The design of digital and financial education programmes must consider the segmentation of users and the adaptation of contents, resources and platforms, as well as the combination of strategies to ensure all the population has access to the necessary information.

8. **Accelerate innovation processes in the financial sector, creating incentives for financial institutions to develop value offers that build women's financial inclusion.**

   Multilateral Development Banks (MDBs) play a role as promoters of good practices in the management of financing programmes with a gender perspective operating in countries through lines of credit. These efforts have a multiplying effect to the extent they encourage intermediary financial institutions to review their practices and introduce innovations to ensure the implementation of these financial instruments and achieve the expected outcomes in terms of women's financial inclusion and economic autonomy.

   Together with financial institutions, MDBs should develop inclusive financial offers and build capacities to implement investment strategies with a gender perspective and increase the amount and quality of financing available to women. As part of a gender equality strategy, these institutions can also implement and monitor the impact of affirmative actions to support women in their different programmes, projects and investments. Monitoring and evaluating gender impact is key to assessing the market viability of products and services and results achieved in current and future portfolios.

These institutions can act as bridges with the private sector and encourage it to promote inclusion and the empowerment of women entrepreneurs and business owners as a factor of sustainability of private activities, recognizing women's power in the value chain as consumers and suppliers. They should also ensure the diversity of the teams involved in decisions that impact women, providing support services, sharing knowledge, and promoting commercial relationships with women-led enterprises.