

# Empowering vulnerable women against the pandemic

The pandemic has hit women's businesses particularly hard because of the industries in which they work, because they have fewer available resources to tackle shocks, and because of the rise in the hours spent on unpaid work (domestic tasks and care of dependents). Thus, inequality gaps that already existed before the pandemic - in terms of the proportion of informal jobs occupied by women, their financial and digital inclusion, access to health services and social protection - have become more acute in the last year. ECLAC forecasts that 231 million people in Latin America will fall into poverty in 2020. Of these, 118 million will be women.

This scenario has led us to swiftly adapt our value offering with our women's economic empowerment strategy. Our aim has been to support them and to mitigate, as far as possible, the impact on their economic activities, their welfare and that of their families. One of the first actions was to conduct several surveys with a gendered approach<sup>53</sup>, which has enabled us to better understand their specific needs and adapt our products and services nimbly.

## Adjusting our "women's" value offering to the new reality

During the pandemic, our priority has been to remain as close as possible to all our entrepreneurs, male and female. Our officers have been in close digital contact with all of them, by WhatsApp and telephone. They have switched from face-to-face to digital meetings, providing financial training through social media and virtual sessions. In the case of women entrepreneurs, our priority has been to create awareness about the importance of looking after themselves, gender roles in the home and providing them with information about preventing gender violence. They have also been supported as they reactivate or reinvent their businesses.

## Digital channels for women, essential in the year of the pandemic

Digitalization is a powerful weapon for bringing financial services to our clients. However, we have seen that a digital gender gap continues to exist. For example, in Financiera Confianza (Peru), 31% of the men we serve are digitalized, compared to 27% of women.

Digitalization is a key tool to expand the sales channels for our women entrepreneurs and potentially mitigate their businesses' drop in sales (see the "Measures" section on the impact of the pandemic). Our data show that women have been the most avid users of customer management technology during this crisis. WhatsApp was taken up by 15% of Dominican women and 20% of Chilean women. In fact, a survey published in September 2020 showed that 77% of the women entrepreneurs with Fondo Esperanza (Chile) were using some kind of online platform, mainly social media, to sell their products<sup>54</sup>.

*In Latin America, 69% of women use mobile internet, but 70 million still do not. The digital skills gap and lack of confidence are the main obstacles\**

\* GSMA-The-Mobile-Gender-Gap-Report-2020.

**Women's empowerment**

- Impact of COVID-19 on women

## Empowering vulnerable women against the pandemic

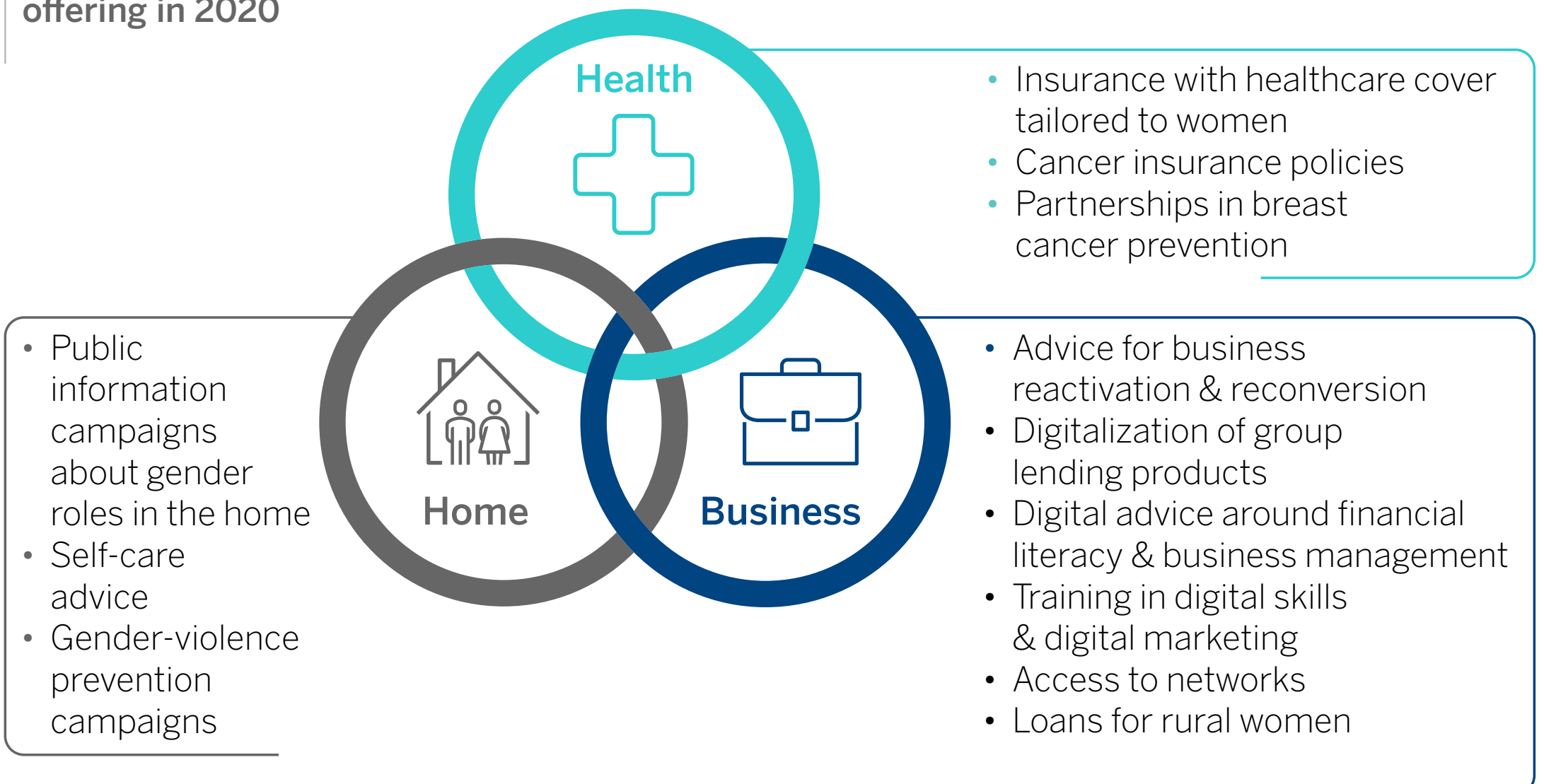
Another of the challenges in 2020 was to keep our relationship banking model going in the middle of a pandemic. This was the case for group lending products and Financiera Confianza's *Palabra de Mujer* [Woman's Word], which have been digitalized in order to stay close to our most vulnerable female entrepreneurs. In Colombia, the use by entrepreneurs of the Mobile Banking application and the virtual office has been pivotal (see the ["Innovation & Technology"](#) section for more details).

It is true that creating digital banking platforms can overcome mobility restrictions, but this does not guarantee that clients take up these solutions, since they may not know how to use them. These platforms must be backed up by training in digital skills and other measures to ease access.

For this reason, in 2021 we will continue pushing for partnerships with public and private institutions to develop digital literacy programs, access to mobile phones and/or data plans for vulnerable women so that they can overcome the barriers to access, their fears and lack of self-confidence when using technology.



### Extending our value offering in 2020





## Empowering vulnerable women against the pandemic

### An integrated value offering for our women entrepreneurs

#### Panama

- Healthcare for women
- Casafin Habitat
- *Mujer Rural* [Rural Women] lending

#### Colombia

- Segmentation by gender-differentiated sales offering on tablet
- Insurance: cancer, protected purse, women's healthcare
- Empropaz-Transversal Gender Strategy
- Partnerships: Pepsico Foundation & Fundes, Natura, Bavaria Foundation, Personal marketing
- *Nosotros con ellas* [We're with the women] website
- MEbA-Woccu Rural Savings
- PAR-Aequales community

#### Peru

- Palabra de Mujer (PDM)
- *Mujer Segura* (crédito oncológico)-PDM
- Crédito educativo
- Conéctate - Educación financiera
- Academia Confianza
- Construyendo Confianza
- Water.org

#### Dominican Republic

- *Ahorro San* healthcare saving
- Gender parity initiative & Ministry for Women SDG5
- Agromujer [Farming Women]
- Nestlé microfranchises
- Star Products-beauty salons
- Victims of violence loan

#### Chile

- Partnerships: Kodea Foundation, Heroikka, Soy PRO, FALP, PRODEMU
- Aprendo y Emprendo [Learning & Entrepreneurship] YouTube learning pills
- Time usage indicators
- Group lending + School for Entrepreneurs
- Somos FE
- Mi Familia Protegida [Protection for my Family] insurance



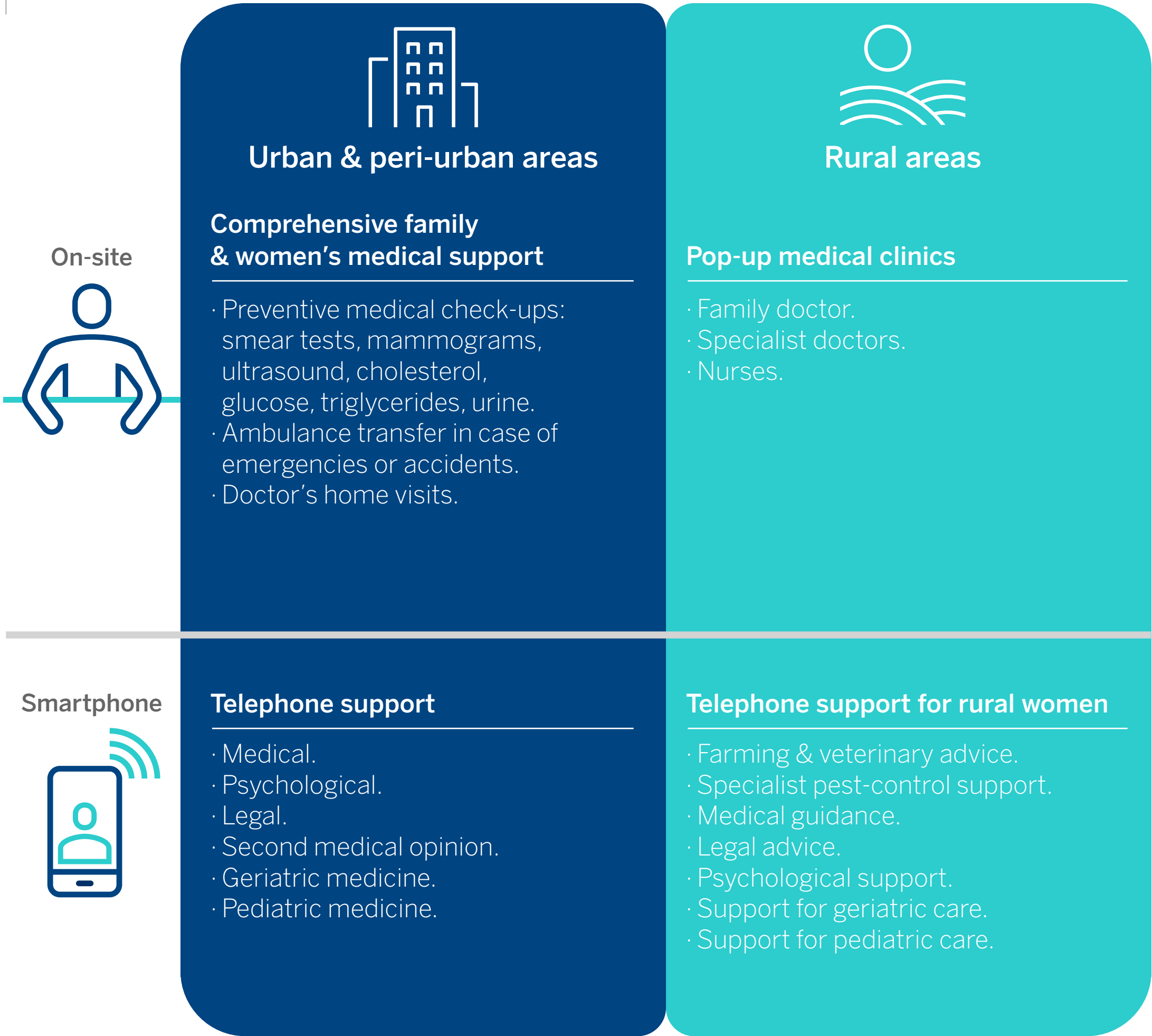
## Empowering vulnerable women against the pandemic

### Insurance and health care tailored to women

COVID-19 has shown that it is fundamental to protect the most vulnerable women from external shocks, particularly their health and that of their families. The pandemic has worsened their access gap to social protection, increasing the need to have insurance designed around them. This lack of protection is correlated with their participation in the labor market. In comparison with men, the proportion of women with jobs is lower, but they work more hours, for less pay and have fewer guarantees of receiving welfare healthcare, so their pension and retirement coverage rates are lower.<sup>55</sup> This is exacerbated by the fact that in Latin America and the Caribbean, women live longer and have more healthcare needs, partly due to their reproductive function.<sup>56</sup>

Since late 2019 we had already been working in Panama and Colombia on designing healthcare for urban and urban women for under USD1/month. These healthcare plans include access to health checkups (such as mammograms and scans), clinical analysis and ambulance transfers, as well as medical, legal and psychological care, both in person and over the telephone. Other welfare services included are support with schoolwork and, in rural areas, pop-up health clinics, telephone assistance for dealing with infestations and advice on crops and livestock.

### Support services for women





## Empowering vulnerable women against the pandemic

We should also highlight *Cancer Insurance policies*. These have been implemented in Colombia and Peru in order to protect women; if breast or uterine cancer is detected they receive compensation, and are offered a family basket of goods if the diagnosis is positive. In Chile we have conducted breast cancer prevention campaigns with institutions such as the Arturo López Pérez Cancer Institute Foundation (FALP).

Finally, in Colombia we have launched a *Protected Pocketbook Insurance* policy for women street vendors or who sell through catalogs and handle large amounts of cash.

In 2021 we will continue to make progress with the insurance product range for women with the *Breastfeeding Women's Insurance*, an innovative, inexpensive product (from USD 1/month) which seeks to support women entrepreneurs with additional income during the first four months of lactation, and includes a series of healthcare services during pregnancy.

### Financial services for rural women who look after the environment

Environmental sustainability -with a gendered approach- forms part of the BBVA Microfinance Foundation's ADN and is something that we have been building on in recent years.

Women depend on subsistence farming - which is very sensitive to the climate - and are less able to adapt to climate change or to diversify their production because they have fewer productive resources. However, when they are given the means, they often take the lead in developing resilience strategies and in adapting sustainable farming practices.<sup>57</sup>

In the Dominican Republic our institution, Banco Adopem, has been leading the *Finanzas Rurales y Ambiente* (FRA) [Rural Finance & Environment] program, which prioritizes rural women who are heads of their family, traditionally categorized as a "risk segment" and who often do not have title over their land, which is frequently an obstacle to their financial inclusion. The beneficiaries of this program, 43% of whom have primary education at most, access microloans and training in sustainable techniques to give a boost to their productive activities and look after the environment .



Video of Family & Women's healthcare support (Bancamía-Mapfre) launch



## Empowering vulnerable women against the pandemic

We have recently taken the *Microfinance for Ecosystem-based Adaptation* (MEbA) program to Dominican farmers. We have successfully implemented this project, first rolled out in Colombia, where it has helped 247 women in 2020 in partnership with the UN Environment program.

Similarly, in 2020 Microserfin kicked off its Rural Women project together with the Whole Planet Foundation and Panama's Farming Development Ministry. Its aim is to finance the activities of rural women working as artisans, in farming or in animal husbandry.

Find more information about our environmental strategy, [here](#).

### Access to basic water and housing services: Two rising concerns of women

During the fight against COVID-19, the scarce access to clean water in many homes around the world has become more apparent. This is a reality, too, in Latin America's urban and peri-urban areas, and a key concern for our women entrepreneurs. In 2020, 5,127 loans were granted for the initiative we have set up with [Water.org](#) (49% of these to women) to ensure they have drinking water and a decent bathroom. This not only improves their living standards, but also has a positive impact on the environment and saves them valuable time that they would otherwise spend on collecting water.

CasaFin in Panama, meanwhile, is an initiative that the women we serve (who make up 57% of loans disbursed in 2020) ask for more than any other, as they want to upgrade the living conditions of their homes for their families.

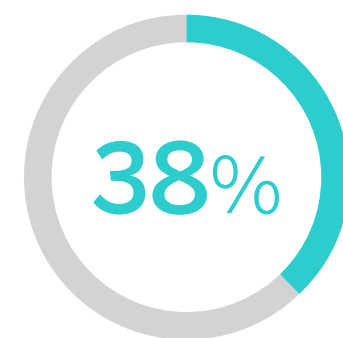
#### Rural women

Data to December 2020



**4 in every 10**

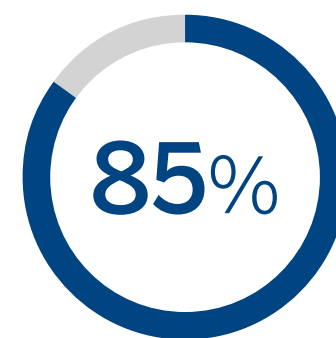
new rural women entrepreneurs  
work in farming activities



are less than  
30 years old



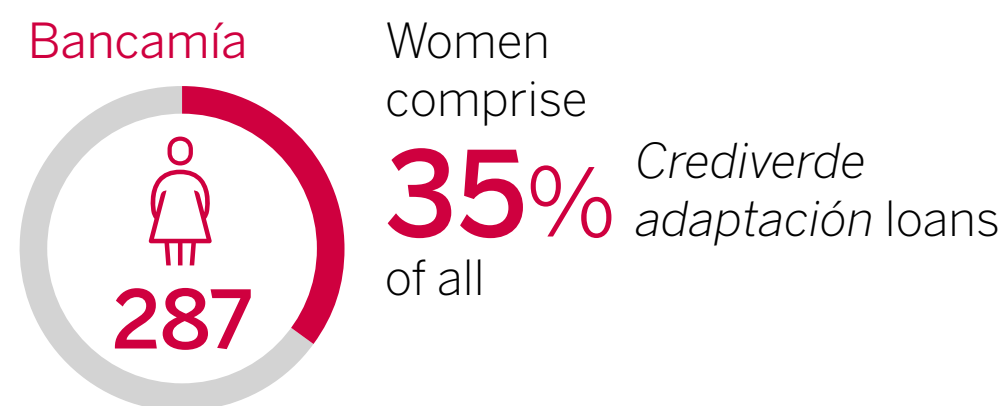
have higher  
education



are vulnerable

It is critical to support them to contribute to the fight against climate change and in protecting the environment.

#### Loans by entities



**Microserfin**  
**480** women were granted *Mujer rural* loans of between **USD 300 & 1,500**



## Empowering vulnerable women against the pandemic

### Financial education, technical training and access to networks

Our commitment goes beyond financial literacy: as well as face-to-face and online training, we offer all our clients training in business management. In the case of women entrepreneurs, we also provide integrated training in welfare, empowerment and community leadership. This last year we have made additional efforts in training on relevant subjects during the pandemic, such as self-care, gender roles in the home and preventing gender violence.

### Some of our programs rolled out in 2020:

The best example of our approach is *EducaFE*, a *Fondo Esperanza* syllabus, our institution in Chile. 2020 saw virtual sessions in self-care, digitalization, biases<sup>58</sup> and gender violence in the context of the pandemic. The YouTube channel *Aprendo y Emprendo* [I learn and I start a business], offers advice on how to improve business management and create awareness about gender roles. The digital marketing courses for women entrepreneurs have also continued throughout the year.

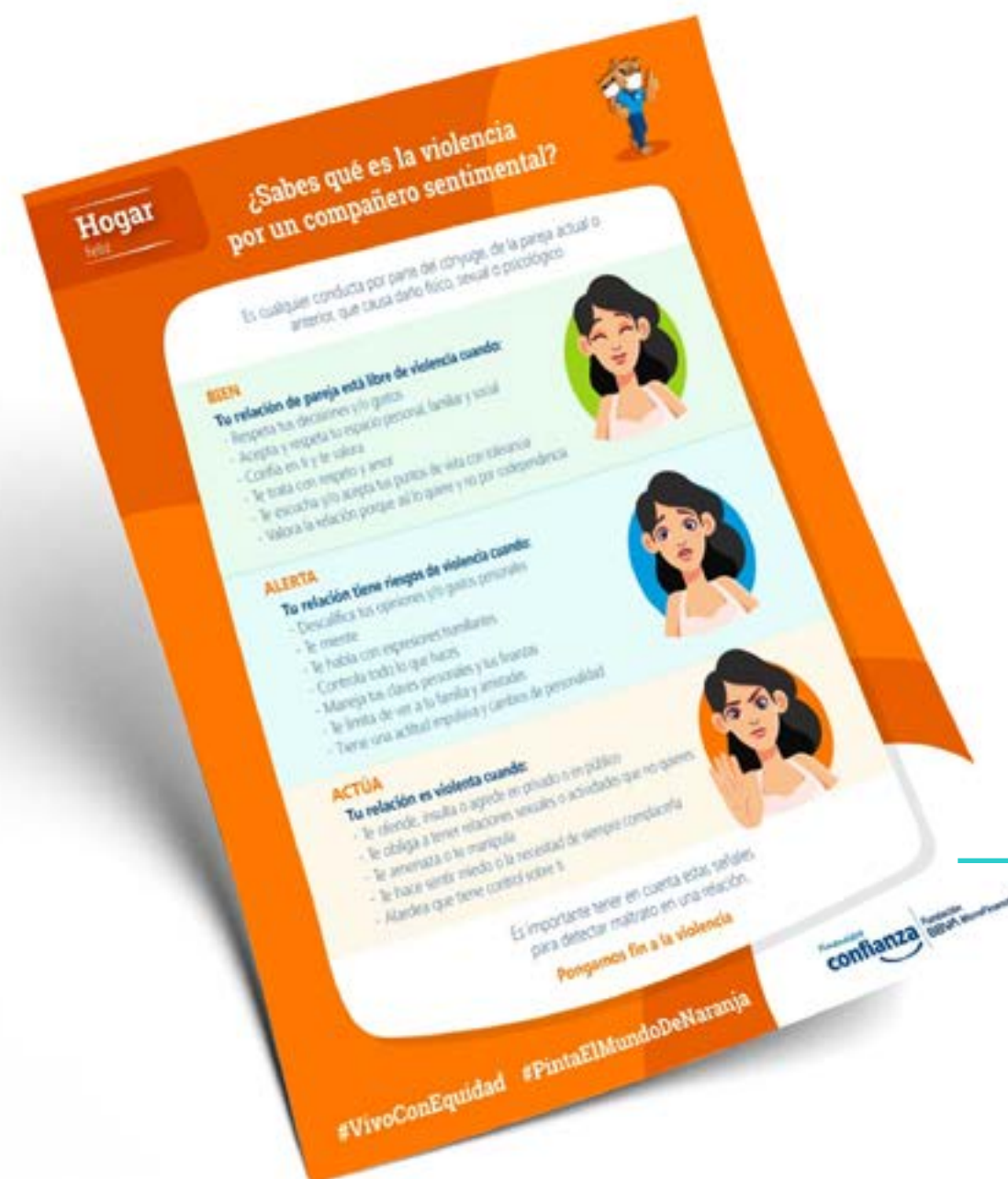
*Aprendiendo en Confianza* [Learning in *Confianza*] is a financial literacy program that has been developed during Woman's Word group lending meetings about online product payments. These meetings have used short manuals on financial education, personal finance, business reinvention and digital literacy.

*Conéctate* [Get connected] is another financial education initiative developed by our institution Financiera Confianza, in collaboration with CARE and Fundación Capital. Using face-to-face workshops, the *Lista* app, and SMS, over 3,5000 rural and peri-urban women entrepreneurs have received training on basic finance, drawing up budgets, savings and other products. This type of training enables these women to overcome their phobia of technology.

*Mujeres con Propósito* [Women with a Purpose] is another program developed by Bancamía in combination with FUNDES and Pepsico Foundation, which has trained around 100 new women entrepreneurs in empowerment skills during the pandemic.

In 2021 we will continue improving our clients' financial education with a gendered approach. We will also carry on enriching the empowerment and gender content in our training plans, webinars, and specific virtual courses for the management of their businesses, with input from business schools and mentoring for women entrepreneurs.

We know that the businesses with the greatest likelihood of success are those with the most networking and access to social media. We are aware of many women entrepreneurs' restrictions in this area because of their reduced mobility, so we have developed initiatives that make your business visible, encourage contact with suppliers, clients, other entrepreneurial ecosystems, etc.



Financiera Confianza's campaign to prevent gender violence



## Empowering vulnerable women against the pandemic



Heroikka is one of these initiatives. It consists of a pilot program for 35 women partners that allows them to publicize their businesses on the platform, promote their products and set up international contacts with other women for consultation or mentoring.

Soy PRO is a digital marketplace that enables them to look for products by area. In 2020, the 1,200 Chilean women clients who took part in this initiative have advertised their products and services there and made contact with private buyers.

### Consolidating an internal culture of gender parity

Women's empowerment is embedded in our corporate culture since, to be closer to women entrepreneurs, we have to start at home. To this end, BBVAMF has signed up to UN Women's Women's Empowerment Principles ([WEPs](#), and to the United Nations' Global Compact).

#### Methodology

Aequales' PAR rankings

Contains questions about hiring procedures, promotions and pay, as well as best practices in HR within the organization, women's leadership and new masculine roles.

**25%**  
Talent  
management

**20%**  
Organizational  
structure

Contains questions that collate information about the numbers of women and men in the organization, hierarchy and the areas in which they work.

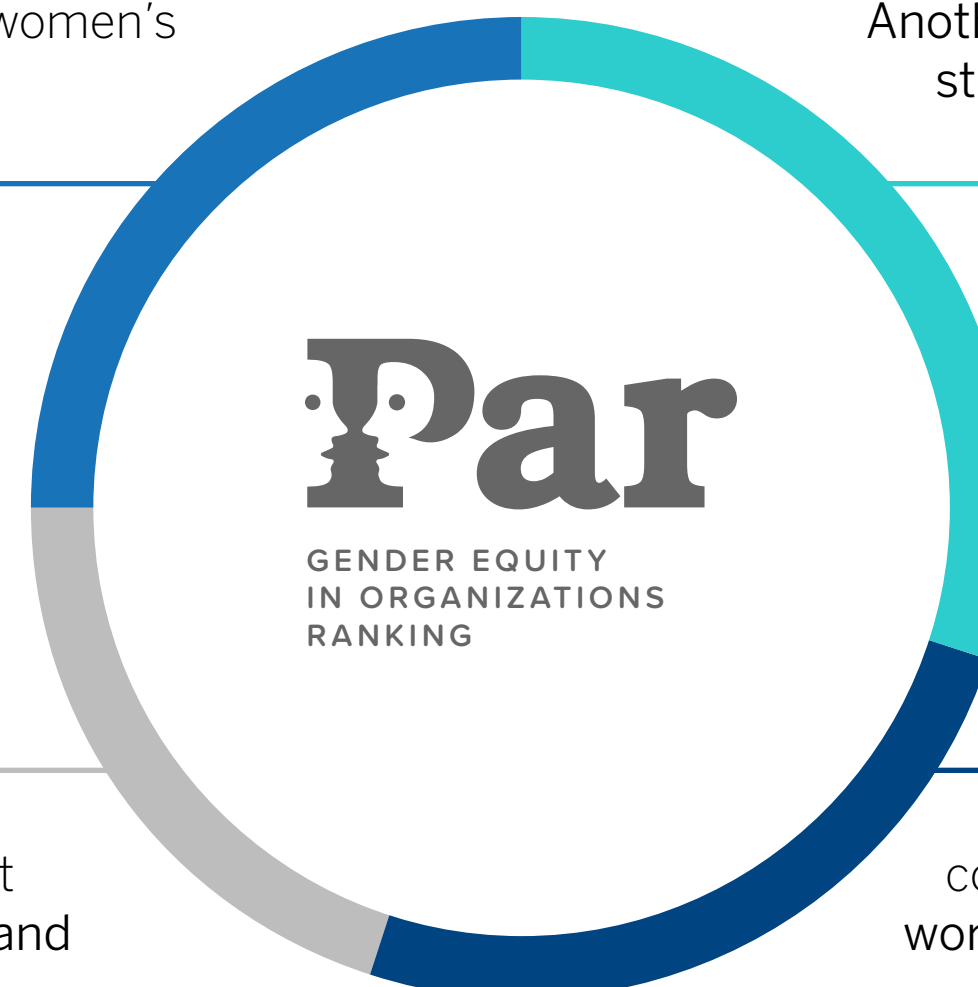
We have our own corporate commitment to women's empowerment while all our institutions have parity and diversity committees. These committees define and review our strategy, coordinating and disseminating this gender vision across all areas of our organization, making us accountable to the governing bodies.

Positive action to achieve gender equity with co-workers and stakeholders.  
Another expression of corporate strategic management with a gendered approach.

**30%**  
Goal  
management

**25%**  
Organizational  
culture

Practices that encourage co-workers to achieve a good work/life balance, measures to prevent and penalize sexual harassment in the workplace, inclusive & positive LGBTI+ action





## Empowering vulnerable women against the pandemic

Furthermore, in 2020 we took part in [the Aequales PAR ranking](#), a free annual measurement tool, and the leading product in the region, which evaluates the gender parity conditions of over 800 Latin American companies. Using over 200 variables it calibrates the gender parity conditions at the very heart of the organization.

All our institutions' results were higher or the average for their respective countries. We have strengths in the areas of managing objectives, organizational structure and talent management, and room for improvement in our organizational culture. We will work on these throughout 2021.

Likewise, in 2020 during the pandemic, our institutions have implemented websites about parity and inclusion and run workshops for co-workers on unconscious gender bias and gender roles.

Throughout 2021 we will roll out a series of actions to document these efforts in our corporate policies, we will continue training about unconscious gender bias, and we will promote action that improves the work/life balance. Our aim is to carry on making progress so that we have a more inclusive, more diverse working environment that lets us understand and better serve the needs of our women entrepreneurs and those of our co-workers, whether women or men.



*In BBVAMF equity and diversity are part of our corporate culture. We work to create more inclusive work environments that allow us to better serve entrepreneurs' different needs.*

Financiera  
Confianza's  
Live Equally! campaign



# Impact of COVID-19 on women

In 2020, BBVA Microfinance Foundation has studied the findings from the surveys conducted in each of the countries where it operates to gain a deeper understanding of the impact of governmental restrictions on its clients, particularly women. They started off in a more vulnerable situation, and the burden of family care and domestic tasks fell on their shoulders disproportionately during the pandemic. The surveys have enabled us to better understand their preferences and report back to the product development departments so that they can take the necessary action.

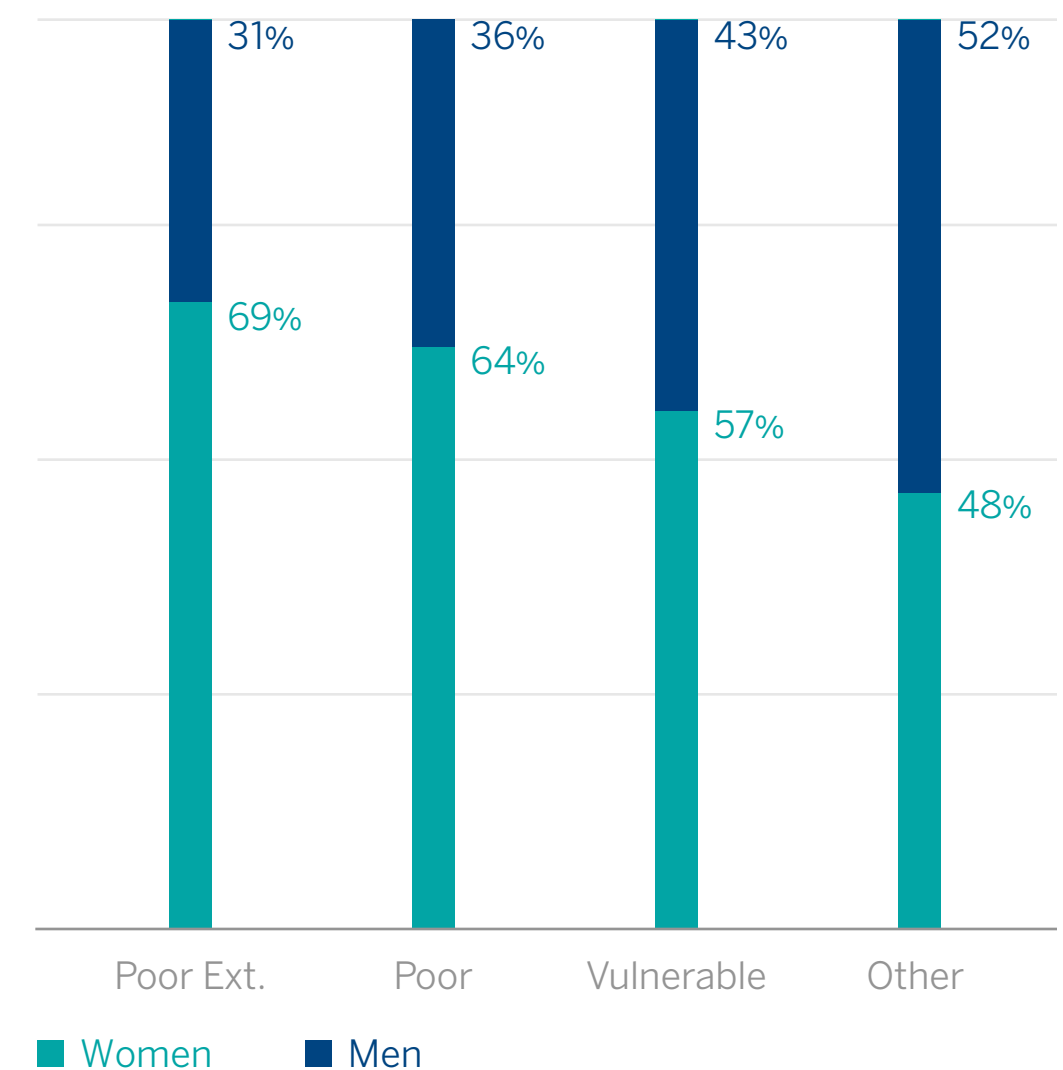
Today, four in ten women in Latin America still do not earn their own incomes.<sup>59</sup> This situation is 2.8 times more common among women than among men. The difficulty of entering and taking part in the job market, together with the time spent on unpaid domestic tasks and caring (more than 45 hours a week in Colombia<sup>60</sup>), limits their earning possibilities.

The lack of economic independence means that women are more likely to be in poverty. If the proportion of those in poverty in 2019 was 12.7% higher among women of working age than among men of the same age bracket, this difference has widened in 2020 to 15.8%, with the estimated female poverty indicator for 2020 standing at 115.8. This gap is wider in the extreme poverty category, where the female indicator stands at 119.3.<sup>61</sup>

This situation was aggravated during the pandemic because women have an inherently urban profile, operating in the activities that were most affected by local restrictions, and thus were harder hit. BBVA Microfinance Foundation (BBVAMF) was founded with the purpose of reducing poverty and enabling financial inclusion among vulnerable populations in Latin America, so it has always had a clear-cut commitment towards them.

## 50 Vulnerability of current clients by gender

Clients current at 12.31.2020





## Impact of COVID-19 on women

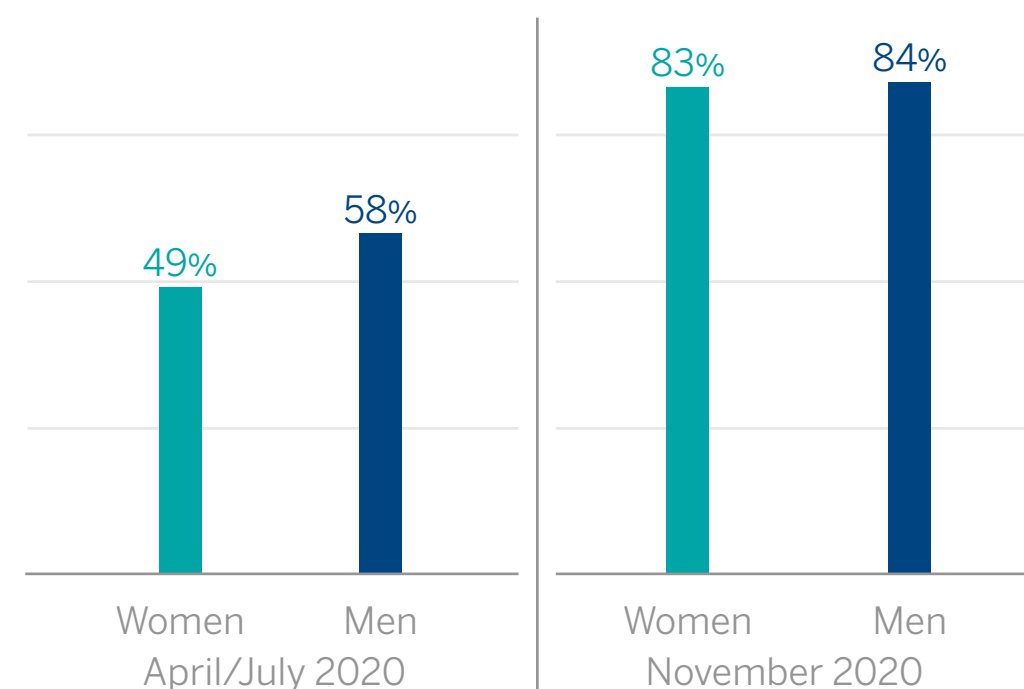
### Effect on their businesses

The restrictions imposed at the beginning by governments had a harsher impact on certain sectors, such as services and retail trade, especially in precarious urban areas with high population density, which were more prone to contagion.

*COVID-19 restrictions impacted on sectors with disproportionately high numbers of women. Over half of all female microentrepreneurs closed their businesses, while 77% saw their sales fall*

#### 51 Businesses open temporarily

▮ Total clients surveyed



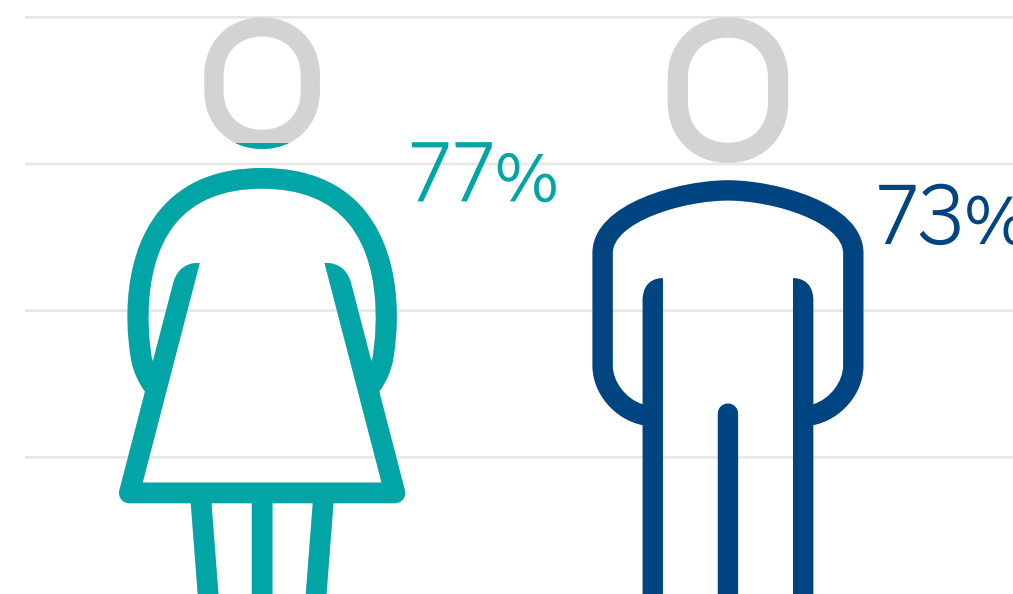
### Severity of the shock on their businesses

At the beginning of the year, this type of microenterprise was the hardest hit, and had to shut their businesses temporarily or for good, with the resulting reduction in sales. During the second quarter of 2020, more than half the women entrepreneurs banking with Bancamía (Colombia) and Banco Adopem (Dominican Republic) did not keep their businesses open, although this occurred to a lesser extent in Peru, where the rate was three in ten.

We should also bear in mind all those microentrepreneurs whose businesses, while remaining operational, were not shielded from the shrinking of each country's aggregate demand, since 77% of entrepreneurs had sales that were reduced from pre-pandemic periods. This was particularly critical for one in every three women, who saw their incomes slashed to less than half.

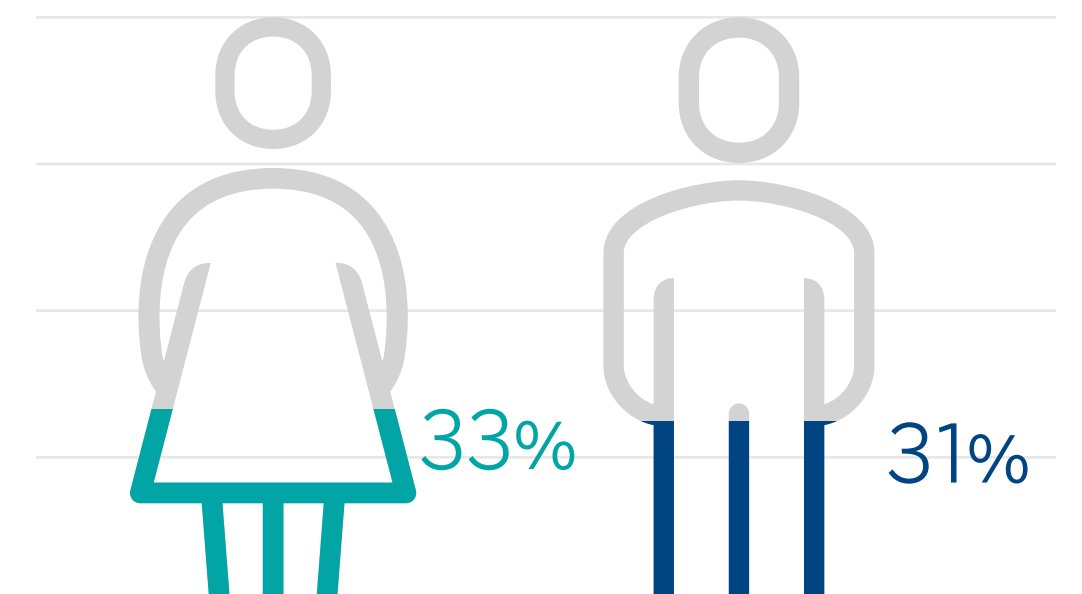
#### 52 Reduction in sales

▮ Clients open for business surveyed in November 2020



#### 53 More than 50% fall in sales

▮ Clients open for business surveyed in November 2020



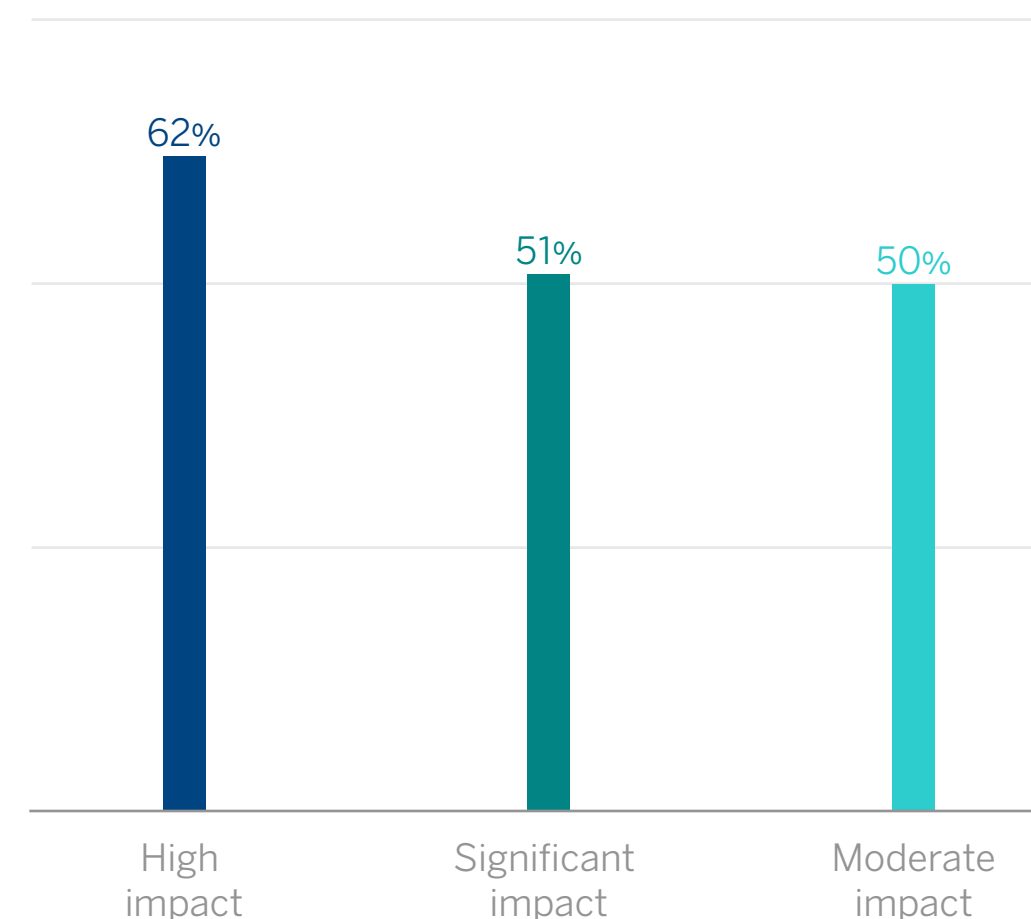
## Empowering vulnerable women against the pandemic

For this reason, to make interpretation of the surveys clearer, we decided to segment clients according to how severely they were affected, combining business closures and falls in sales. These were divided into three groups: “heavy impact”, “significant impact” and “moderate impact”.

*60% of women granted loans by the Foundation's entities were in the “heavy impact” segment.*

### 54 Segmentation by type of impact

All women surveyed in November 2020



This means that many women entrepreneurs set their businesses temporarily to one side, since these were no longer their main source of revenue, becoming a secondary economic source until the crisis abated.

According to research conducted in Bancamía (Colombia), nearly 55% of these women brought the biggest pay packet into their home, and 71% said they had dependents. Furthermore, eight out of ten women surveyed between 18 and 45 years old were responsible for looking after babies/children and adolescents. This makes all too clear not only their need to find alternative revenues, but also the impact on their families, thus increasing their vulnerability.

*COVID-19 has increased the vulnerability of our women entrepreneurs*

### Recovery

Towards the end of the year, when many of the most restrictive measures were no longer in place, the economy began to show signs of recovery, demonstrating just how resilient our clients have been, since after having been obliged to close, they have succeeded in opening up their businesses again. In some cases, such as Bancamía and Financiera Confianza, they have even seen how their sales have increased or at least matched pre-COVID levels (23% and 38% respectively).





## Empowering vulnerable women against the pandemic

### Effect on their households

#### Impact on savings

Savings achieved in pre-crisis periods have helped women to palliate their lack of income in the times of greatest tension. For example, in Colombia women used their savings to meet their obligations (in 44% of cases), while in Panama 60% did so.

*46% of women declared that their capacity to save had been completely wiped out, compared to 43% of men.*

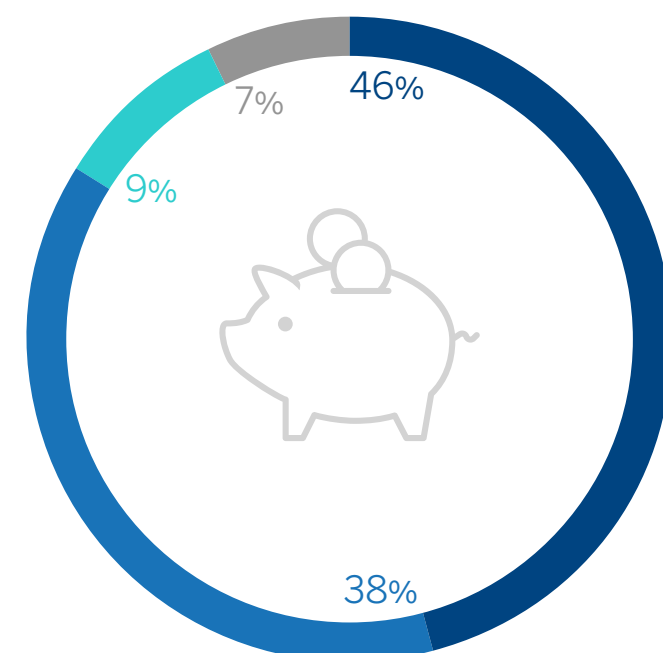
#### Diversifying their revenue sources

The surveys certainly showed a fall in the importance of the microenterprise for the household, with the business going from being the main source of income (> 50% of the family unit's income) in the case of 64% of the female entrepreneurs, to 50%, i.e. a reduction of 14 percentage points.

*There has been a sharper impact in those households where the woman's business is the sole source of income*

#### 55 Effect on savings capacity

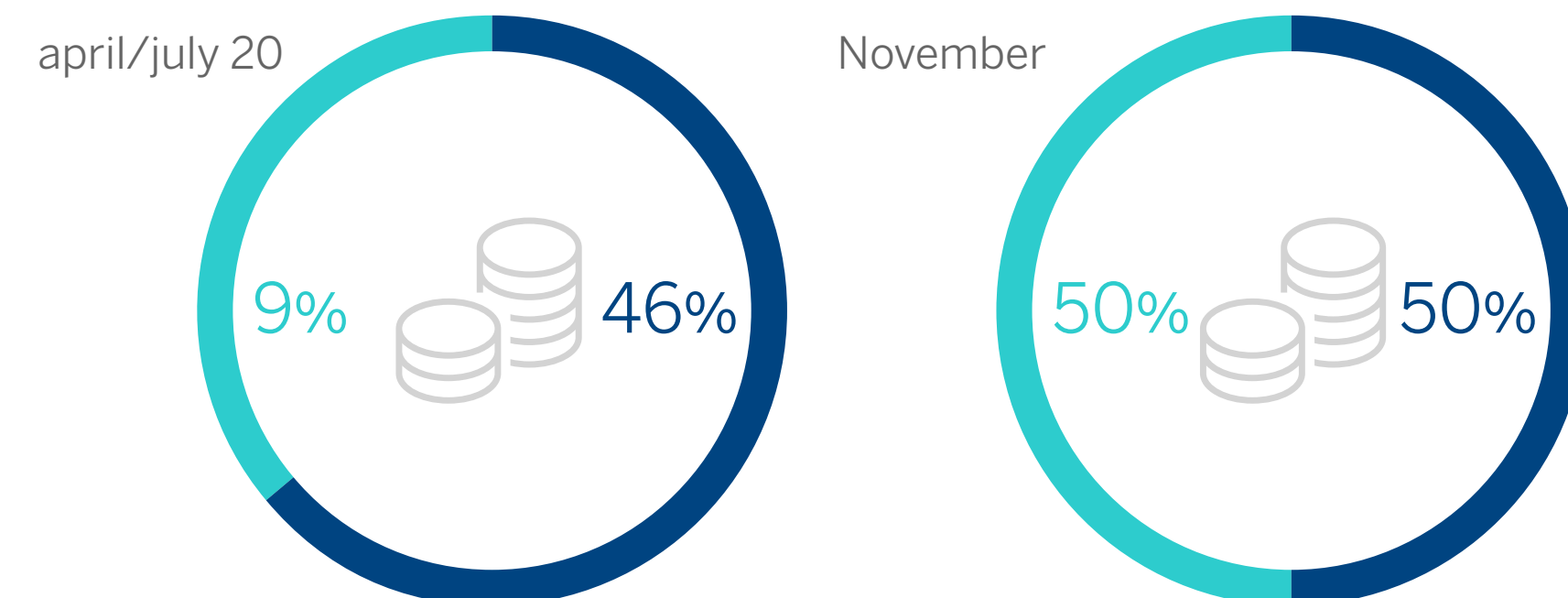
All women surveyed in November 2020



■ Total ■ Partial ■ Not affected ■ Did not save

#### 56 Main source of income

All women surveyed in November 2020  
Surveys of impact and recovery



■ Main source ■ Diversified

## Empowering vulnerable women against the pandemic

### Measures adopted

To tackle the pandemic, households applied a range of financial measures to smooth the impact of the shock, such as adapting and reconvertng their business.

In terms of business, the most significant measure was to change the sales channel, using digital channels and social media and, in certain countries, home deliveries. In addition, some women have reinvented themselves and redirected their businesses during the pandemic, especially those who work in the most affected sectors (e.g. clothing trade), although this has been a less popular measure.

This is what we have seen in the case of entrepreneurs making clothes, who began producing facemasks under the auspices of governmental programs, offering these at low prices in their communities, as well as specialist emergency clothing.

### Measures taken by women

Impact & Recovery Surveys

#### **Bancamia** Colombia

Of the main measures adopted by women in Colombia, in 41% of cases people resort to their savings, followed by the applications for debt relief from financial institutions (30%) and help from the family (24%).

The use of digital media for client management has been much more popular among women. 11% of them adopted this measure, compared to 7% of men. This has been followed by delivering goods to customer's homes, although to a lesser extent (15% of women did this).

#### **Financiera Confianza** Peru

Women have taken a bigger role in adopting the minority measures, such as sending goods to customers' homes (8%) and dealing with clients on WhatsApp (6%).

#### **Banco Adopem** Dominican Republic

Handling clients on WhatsApp has been much more popular among women. 15% of them adopted this measure, compared to 6% of men.

#### **Fondo Esperanza** Chile

Chile is one of the countries seeing the most digital activity, thus contributing to mitigate the shock. In August, the businesses that resisted better and continued working (59% of the total) were those that sold online (41% of the total), compared to those that had physical premises (10% of the total). Clients with more than one sales channel (digital and others) also did better.

#### **Microserfin** Panama

60% of women have had to use their savings in the second half of 2020 to deal with the crisis caused by the pandemic.