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Statement submitted by Fundación BBVA para las Microfinanzas, a non-governmental organization in consultative status with the Economic and Social Council*

The Secretary-General has received the following statement, which is being circulated in accordance with paragraphs 36 and 37 of Economic and Social Council resolution 1996/31.

* The present statement is issued without formal editing.



Statement

Almost 25 years after the Fourth World Conference on Women, there are still significant gender gaps in their participation in the economic and political spheres. Progress is still too slow, and there are some worrying backlashes. If we are fully committed to achieving the 2030 Agenda, we must step up the pace.

Fundación BBVA para las Microfinanzas fosters the economic empowerment of over two million vulnerable people in Latin America, 57 per cent of whom are women. In Latin America, 113 women live in poverty for every 100 men in a similar situation, according to the United Nations Economic Commission for Latin America and the Caribbean's (ECLAC) data. According to Global Findex and the International Labour Organization (ILO), more than half of all women are financially excluded and have no formal employment. This is why entrepreneurship appears as the main alternative for income generation where financial inclusion becomes essential. At the Fundación BBVA para las Microfinanzas, we nurture social and economic sustainable development of entrepreneurs in vulnerable locations through productive finance.

We are completely aligned with the strategic objectives of the Fourth World Conference on Women. First, in regards to women and poverty and women and the economy, we work to ensure women's equal rights and equal access to economic resources as an effective means to eradicate poverty. We provide access to savings, credits, insurance, training, and access to networks to more than 1.2 million vulnerable female entrepreneurs. Through our social performance reports, we assess the initial gender gaps and how women's microbusinesses perform over time. Eighty-four per cent of the women we serve are vulnerable, and one third live in poverty or extreme poverty (10 percentage points more than male entrepreneurs). Women's initial loans and assets are 35 per cent inferior to men's, but they are capable of accumulating assets at a faster pace. In their second year, 37 per cent of female entrepreneurs overcome their initial poverty level. Their status as entrepreneurs is also less volatile, as fewer women are likely to fall back into poverty compared with men, i.e., 20 per cent of women all back into poverty versus 31 per cent of men.

Second, we are aligned with the goal of education and training of women. We offer financial education. In 2018, about 557,680 entrepreneurs, mostly women, received financial education. We offer specific training for our female entrepreneurs, as well as educational loans and technical assistance partnerships.

Third, we increase women's access to affordable and quality health services through cancer micro-insurance and health assistance so they can receive affordable check-ups, gynecological exams, and mammograms.

Fourth, in the case of Colombia, we work jointly with partner organizations to provide training and financial services to 56.000 female entrepreneurs who have been victims of the armed conflict in 58 of the prioritized rural municipalities, fostering a culture of peace. Together with the Office of the United Nations High Commissioner for Refugees (UNHCR) and the Red Cross, we also work with 2,500 Colombian and Venezuelan refugees in Panama, offering them access to financial services and supporting their self-employment.

Finally, we recognize women as key agents of environmental decision-making at all levels and urge them to carry out our eco-line in programs together with United Nations Environment in Colombia and Dominican Republic. We also support rural women with specific financial products that do not require land property as collateral and technical assistance. We believe women are cornerstones in the fight against climate change and the achievement of food security.

We rely on technology to improve access to financial services in remote areas. We foster mobile banking through the development of an app that allows our customers to access their financial statements, transfer money, and follow their payments at their convenience. We use mobile agents and a network of 25,000 banking correspondents throughout our footprint. Information and communications technology reduces transaction costs for all our entrepreneurs and counteracts the lower mobility of women because they do not have to travel to the branches. We also promote the creation of virtual networks and marketplaces virtual training through YouTube channels, and digital marketing courses with other stakeholders. We must close the digital gender gap and ensure that vulnerable women can reap the benefits of technology.

To fight gender inequality, it is also essential to know its dimensions. The transcription of information into data that we can collect and analyze enables us to better understand all aspects of gender inequality. In the last seven years, Fundación BBVA para las Microfinanzas has improved the design, collection, and analysis of its social impact. By establishing systems that regularly measure quantitative and qualitative performance indicators, progress can be tracked and future policies can be more efficiently pursued.

The disaggregation of data by gender has allowed us to analyze the socio-economic profile of our women, their businesses, and their evolution through time. We have come to know our women entrepreneurs and their development and, as a result, can reliably assess our contribution to Sustainable Development Goal 5: gender equality. Women escape poverty at a faster pace, e.g., from 2012 to 2017, eight out of 10 of our clients who overcame poverty were women.

Through data we know, that family size has a different impact on men's and women's business performance. Gender sales gaps widen in large families. Women suffer bigger sales losses compared to male counterparts. In urban households, with more than three members, women's sales are just two thirds of men's. However, in rural areas, for the same family size the gender gap in sales is just 16 per cent. If we look at the return on sales, it is lower for both men and women with large families, but the loss in productivity is larger for all women. So our data show that our female entrepreneurs' performance is more conditioned by family size.

At Fundación BBVA para las Microfinanzas, data drives our decision-making and allows us to design better products and services. For instance, we know that female-headed households are more vulnerable and time-constrained. We are developing new indicators to assess women's use of time. Our aim is to design innovative solutions, such as the adoption of time-saving technologies, improved sanitation, or the promotion of childcare entrepreneurship, to lessen the burden of care and domestic work. Similarly, we look for partnerships tailored to women's economic activity and the development of better infrastructures and social protection services.

Gender gaps are pervasive and need time to be corrected. Without monitoring, it is not possible to know whether we are achieving progress on Sustainable Development Goal 5.

At the Fundación BBVA para las Microfinanzas, we are fully committed to the 2030 Agenda and the objectives of the Fourth World Conference on Women towards women's economic independence. The World Bank estimates that globally almost one billion women are financially excluded and that micro, small, and medium enterprises have global financial needs that amount to \$1.7 trillion. Financial services are key to encouraging self-employment, supporting business activities, increasing investments in education and savings, improving agricultural productivity, managing risk, and absorbing financial shocks.

We will continue expanding our scale and reach to develop financial products and services effective in reaching women in poverty; use technology as a lever to find innovative solutions that reduce opportunity costs; and provide training and skills, networking opportunities, and connections. We will deepen our sex-disaggregated data, measuring what we mean by women's economic empowerment and learning how women's dedication to unpaid work constrains their performance and economic activities.

Collaboration is imperative among governments, international organizations, civil society, and the private sector. We need to raise funds to fight gender inequality, which is one of the most underfunded Sustainable Development Goals, and continue to develop innovative financial tools. This is not just a matter of social impact, but of economic and financial importance, as well. The private sector must be involved.

The Beijing Declaration and Platform for Action is the most progressive plan to foster women's rights. We all have a role to play if we want a world where women and girls have the freedom to choose and exercise their rights. Today, no country has reached total gender equality. We cannot wait or waste 208 years, nor another 25, to close the economic gender gap, make a change, empower half of the population, and, in doing so, empower all of us. Sustainable development, inclusive societies, and economic growth are at stake. Now is the time to act. Equality can't wait.
