



Pro Mujer

Gender Lens
Investment

Pro Mujer is a social business that has been working to advance gender equality in Latin America for more than 32 years. Its goal is to help women reach their full potential, improve their living conditions, and become agents of change for their communities. Pro Mujer operates through a holistic and comprehensive model that seeks to enable the financial inclusion of Latin American women, expand their access to health services, and provide them with training and entrepreneurial opportunities. Pro Mujer combines different sources of financing and promotes a gender lens approach.

Pro Mujer Gender Lens Investment



LOCATION:

Offices in Bolivia, Mexico, Argentina, Nicaragua, and Guatemala. Through digitalization and with the help of strategic partners, it also has an impact in Peru, Colombia, Ecuador, Haiti, Honduras, and Panama.



YEAR OF
FOUNDATION:
1990



TYPE OF INVESTOR/SILO:

Financial institution
and social purpose
organization.



SECTORS:

Microfinance, health,
education, and
entrepreneurship.



CONTINUUM OF CAPITAL:

Venture philanthropy and
impact investing.



INVESTMENT INSTRUMENT:

Debt



FINAL BENEFICIARIES:

Vulnerable women of
economically active age.



MAIN PARTNERS:

- Google
- Visa Foundation
- Chanel
- Avon
- Pfizer
- Microsoft
- J&J
- Fundación Coca-Cola
- Kellogg Foundation.



MOTIVATION OR PROBLEM TO SOLVE:

Enabling women's financial inclusion
to provide them with greater access
to capital, expand their access to
preventive health services, and
offer them training opportunities to
develop entrepreneurial skills.



NON-FINANCIAL SUPPORT OFFERED:

- Strategic and operational
strengthening
- Financial sustainability, among
others.



TYPE OF FINANCE / RESOURCES INVESTED OR DONATED:

USD 4.4 billion
disbursed through loans over the past 32 years.



IMPACT:

More than **2 million** women trained and more
than **10 million** health services provided to
beneficiaries in the last 32 years in all the places
where the organization is present.

SDGS:





OVERVIEW

Financial inclusion is one of the main challenges worldwide, as financial services are neither affordable nor designed to fit the needs of low-income populations. According to the World Bank, 2 billion adults worldwide do not have a basic bank account, mainly due to a lack of available financial resources¹. This gap is of particular concern in developing countries, where the population's majority is low-income and women are particularly excluded from the formal financial system.

By 2018, only 49% of women in Latin America and the Caribbean had a bank account, 11% saved money, and 10% had credit.² The above reflects the challenge of financial inclusion in relation to the knowledge and capabilities that women have to enhance their productive, personal, and family development.

The gender gap in financial inclusion plays a fundamental role in the empowerment and economic autonomy of women.

Pro Mujer is one of the pioneering organizations promoting financial inclusion with a gender lens in Latin America, whose mission is to empower low-income women so that they can reach their full potential through a holistic approach that includes access to financial, health, and training services.³ Pro Mujer was founded in 1990 in Bolivia and is now present in Argentina, Guatemala, Mexico, Nicaragua, and Peru. Different entities have been created in each country in order to consolidate the organization regionally, and to ensure adequate traditional and digital financial products, health and well-being services, and support in education and entrepreneurship.

Pro Mujer mission
is to empower low-
income women
so that they can
reach their full
potential through a
holistic approach.

- ¹ Azar, K.; Lara, E.; and Mejía, D. (2018). Inclusión financiera de las mujeres en América Latina. Corporación Andina de Fomento (CAF)(p.7). Accessed at: <https://tinyurl.com/2kpdvbjn>
- ² Azar et al. (2018), Inclusión financiera de las mujeres (p. 7).
- ³ Pro Mujer (2020). Memoria Anual 2019. Accessed at: https://promujer.org.bo/assets/material-extra/bo/ASFI/INFORMES/Memoria_Institucional/memoriaanual2019.pdf

The organization follows a premise that underpins its mission, portfolio, and expected impact:

Financial inclusion with a gender lens has a significant impact not only on the economic situation of women—allowing them to expand, diversify, improve the quality of their production, and increase productivity—but also on the well-being of their families in terms of poverty reduction and a better future for their children, by generating income that is used for access to basic services such as health, education, drinking water and sanitation, among others.⁴

In this way, women are seen as agents of change that contribute to development and poverty alleviation.

“While the financial services we provide generate a positive outcome, Pro Mujer’s greatest impact is achieved through our signature holistic model: providing microcredit, training opportunities, and health services. We firmly believe that if women were to receive a loan without basic financial education, without strengthening their business management skills, and without paying attention to their physical and mental health, we would not be generating sustainable, long-term change.” Rolando Schmidt, Pro Mujer CFO.

Pro Mujer’s impact focuses on three pillars: financial inclusion, health and well-being services, and training and entrepreneurial opportunities. The first is a fundamental aspect as it considers that access to capital and credit is the mechanism that allows women to play a greater leadership role within their families and communities by becoming direct income earners. This responds to concrete evidence from recent years, which indicates that the most in-demand credit type in a country like Bolivia is microcredit, with the largest share of the total financial system portfolio (approximately 30%).⁵

Pro Mujer has a portfolio that includes loans granted through village banking, individual loans, and health and education services. Loans are provided through microfinance institutions in each country. The village banking methodology is one of the financial services for women’s associations requesting



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⁴ Ibid.

⁵ Pro Mujer (2020). Memoria Anual 2019. Accessed at: https://promujer.org.bo/assets/material-extra/bo/ASFI/INFORMES/Memoria_Institucional/memoriaanual2019.pdf

loans for their small enterprises.⁶ For these loans, which average approximately USD 1,000, the group of individuals assumes a joint and indivisible guarantee in the representation of all associates. In addition, Pro Mujer offers individual loans, which account for 25% of the portfolio. In recent years Pro Mujer has been developing digital financial products that take into account the context and needs of women.

“Pro Mujer offers a holistic value proposition. Not only does it provide loans, but it also provides Latin American women with training in money management, savings, business and family decision-making, and provides them with the opportunity to obtain quality health services at a cost they can afford.” María Liliana Mor, Strategic Partnerships and Development Director, Pro Mujer.

Education and health services are just as relevant as financial services. These services require philanthropic capital to maintain programs over time and are usually provided through non-profit entities that are part of Pro Mujer:

- ... **Health services** to provide preventive medical care to beneficiaries and their families.
- ... **Education opportunities** through training and tailored support in financial education, business strengthening, prevention of gender-based violence, and masculinities, among other areas.



INNOVATIVE FACTORS

Pro Mujer has been able to adapt, innovate, and remain relevant throughout its 32 years of existence, always focused on creating social impact and maintaining long-term financial sustainability. The organization particularly stands out for having been consolidated as a group through its regional organizational⁷ structure, the different sources of finance it receives, and the cross-cutting promotion of digital transformation.

⁶ Created in 1998, village banking accounts for 75% of the portfolio of the entire organization.

⁷ For a more detailed description of Pro Mujer's structure, please refer to the organization's 2021 audited financial statements: https://promujer.org.bo/assets/material-extra/bo/ASFI/INFORMES/Estados_financieros/EEFF-al-31-de-Diciembre-del-2021.pdf

Pro Mujer began its journey in Bolivia in 1990. At the same time, it began operating in other countries, and later moved its headquarters to New York City. This decision, linked to the fact that one of the organization's founders is American, allowed it to connect to an international philanthropy and impact investment ecosystem.

However, Pro Mujer's transnational presence made it difficult to establish general guidelines for all entities that made up the organization. For that reason, its headquarters lead a strategic review in 2019 that culminated in greater centralization, thus standardizing regional guidelines and establishing greater focus on the organization's sustainability.

The digital transformation that began in 2017 was another aspect that facilitated Pro Mujer's strategic centralization. In the face of global changes in the sector, the organization identified the need for adaptation, particularly in developing digital and technological tools that would facilitate, automate, and enhance processes throughout the organization. Internally, the organization introduced software and digital platforms to reduce operating costs and increase team efficiency. Additionally, investments were made to strengthen innovation, technology teams, and data analysis.

In addition to processes' optimization and digitalization, Pro Mujer identified an opportunity to design digital services focused on women. The organization partnered with Banco de Desarrollo de América Latina (CAF) and Accenture, who provided technical assistance to begin the transition to digital services and platforms. Pro Mujer's portfolio includes the following digital products and services:

- A** **Mujeres Online:** Its objective is to expand women's access to digital skill improvement options. The project was developed between 2019 and 2021 in Bolivia in partnership with CISCO Networking Academy. More than 1,000 scholarships were awarded to women and girls in the digital skills course.
- B** **Financial education chatbot:** Launched in Nicaragua, it provides easy access to basic financial education information.
- C** **Mobile wallet:** A mobile application that allows women to apply for group and individual loans. The process takes 10-15 minutes and is entirely remote.



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- D** **Crowdfunding platform for women entrepreneurs:** In partnership with MICROWD, a simple and intuitive platform expanded support to women entrepreneurs in Peru.
- E** **The *Emprende Pro Mujer* digital platform:** It provides training and tailored advice to women entrepreneurs seeking economic autonomy throughout the region.
- F** **Pro Mujer Digital:** Launched in Mexico, the multi-channel financial service platform for women seeks to provide unrestricted access to credit and reach remote or rural areas.

Despite the strategic centralization in Pro Mujer, differences remain in how the various entities are constituted due to each country's regulatory framework. In general, in order to grant loans, a for-profit entity is created to operate under national regulations; at the same time, another non-profit entity is created with the capacity to provide Pro Mujer's non-financial services. In this way, NGOs that are created are extended arms of the organization's structure, i.e., they act as social purpose organizations (SPOs) that directly deliver non-financial services to final beneficiaries.

In addition, these legal figures allow the mobilization of different financing mechanisms. Profits from loans are managed transparently and reinvested in the business; while the ability to receive philanthropic capital provides the opportunity to subsidize non-financial services.

Through its US non-profit, the organization receives 70% of Pro Mujer's donations, mainly from corporate entities and private foundations. This philanthropic capital is used to finance the overall development and growth of the organization and its entrepreneurship, training, and preventive health programs. Part of these philanthropic funds is allocated to the entities that need support to continue developing the programs in their countries. Additionally, local entities also mobilize their own philanthropic capital to leverage the sustainability of their social purpose programs.

Pro Mujer also uses impact investment instruments to leverage its impact. For example, it has strategic co-investments with Deetken Impact and, through the ILU Women's Empowerment Fund, it finances more than twenty businesses with a gender lens in Latin America.



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Pro Mujer also receives loans from banks and funds. For example, Pro Mujer Bolivia differs from other countries in that 90%⁸ of its financing comes from local banks and funds.⁹ Pro Mujer Bolivia is also financed through securitization¹⁰ and with foreign entities. The case of Bolivia shows why each entity in the organization can adapt to the investment ecosystem based on its national context, both to obtain financing and how to provide it.



LESSONS

Pro Mujer identifies a challenge in measuring impact more accurately to reflect comprehensive results for beneficiaries and their communities, beyond purely economic indicators. To address this challenge, the organization created a data warehouse and invested in hiring data and social impact measurement specialists. Along these efforts, it continues its commitment to innovation and digital transformation as an effective channel for social inclusion from a gender perspective.

In addition, it is currently seeking to create more opportunities by developing various gender lens financial instruments for the *missing middle*—businesses with very high capital requirements to be covered by microfinance but also very small or perceived as risky for other types of financing, such as the traditional banking system.

8 Figure for 2019.

9 This is mainly due to Pro Mujer's improved risk rating in recent years and the fact that the effective rate of the currencies in which it receives international financing is very expensive.

10 Process was carried out for the first time on the Bolivian Stock Exchange in 2018, in which USD 17.5m was raised.