

CHALLENGES AND OPPORTUNITIES FACED BY WOMEN-LED BUSINESSES DURING COVID-19 AND IFC'S RESPONSE

Gender and Economic
Inclusion Group



Creating Markets, Creating Opportunities

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Agenda

- **Pandemics Affect Women and Men Differently**
- **Impact of COVID-19 on Women Entrepreneurs**
- **IFC Solutions**
- **Networks, Tools, and IFC COVID-19 Gender Resources**

Pandemics Affect Women and Men Differently

COVID-19 is revealing and exacerbating existing gender gaps in economic security, health and safety, and decision making.



Women spend **3 times** the amount of time on unpaid care than men ([ILO, 2018](#)). School, daycare and eldercare closures have elevated women's **care responsibilities**, reducing the time available for paid work, prompting women to leave their jobs.



Confinement from stay-at-home orders and restrictions in movement, coupled with increased exposure to violent partners, have resulted in more incidences of **gender-based violence (GBV)** to surge by as much as **20%** ([UNFPA, 2020](#)).



Liquidity constraints are amplifying pre-crisis unmet credit gap of **\$1.48 trillion** faced by women-owned small and medium enterprises (WSMEs) in emerging markets ([MSME Finance Gap](#)).



Women are, on average, **17%** less likely to use the internet, and **20%** less likely to own a smartphone than men ([ITU, 2019](#)). Such **digital divides** are making it difficult for WSMEs to adjust their operations amidst national lockdowns.

Impact of COVID-19 on Women Entrepreneurs



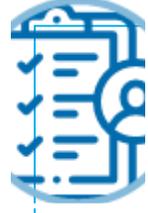
Financial



Supply Chain
Disruptions



Shift to Digital
Business



Adjust
operations



Networks and
Advice



Mental Health



Employee
Support



Challenges and Needs expressed by Women Entrepreneurs



Financial

- 90% of WMSMEs face a decrease in sales¹
- Reduction in cash flow; survival 1 to 3 months²
- Demand plummeting in sectors where most women are operating
- Insufficient finance & working capital lead to liquidity constraints & insolvency
- Urgently need flexible financing



Supply Chain Disruptions

- 62% of small business unable to deliver on existing contracts due to logistical challenges²
- Inventory delays & shortages
- Labor shortages due to quarantine and fear, and low cash flows
- Shipping delays and order fulfillment disruptions
- Inability to source raw materials and inputs for products



Shift to Digital Business

- 87% of WMSMEs plan to sell online due to COVID19³
- Increase in e-commerce (create website or improve current one, alt channels such as marketplaces)
- Communicate timely with customers re: delivery dates, availability of goods³
- Those already selling online do not expect a downturn in sales³



Adjust operations

- Over one third of WSMEs adapting products & services to customer needs¹
- Diversifying supplier network
- Use technology to engage customers, suppliers, distributors (online payments, mobile phones)⁴
- Adopt alt distribution channels e.g. motorcycles to deliver goods, go direct to customer⁴



Networks and Advice

- Need to shift to digital business and not sure where to start¹
- Already operating with smaller, less-diverse networks than men, less likely to know where to go for advice on crisis management and business resilience strategies
- Need technical assistance to pivot business model²



Mental Health

- 34% of WMSMEs increased anxiety that situation has reduced productivity¹
- 27% of WMSMEs increased care demands (children, elderly) & reduced time spent on business¹
- Uncertainty surrounding how to manage risks & losses related to COVID-19, and how to provide protection and support for the health of employees⁵



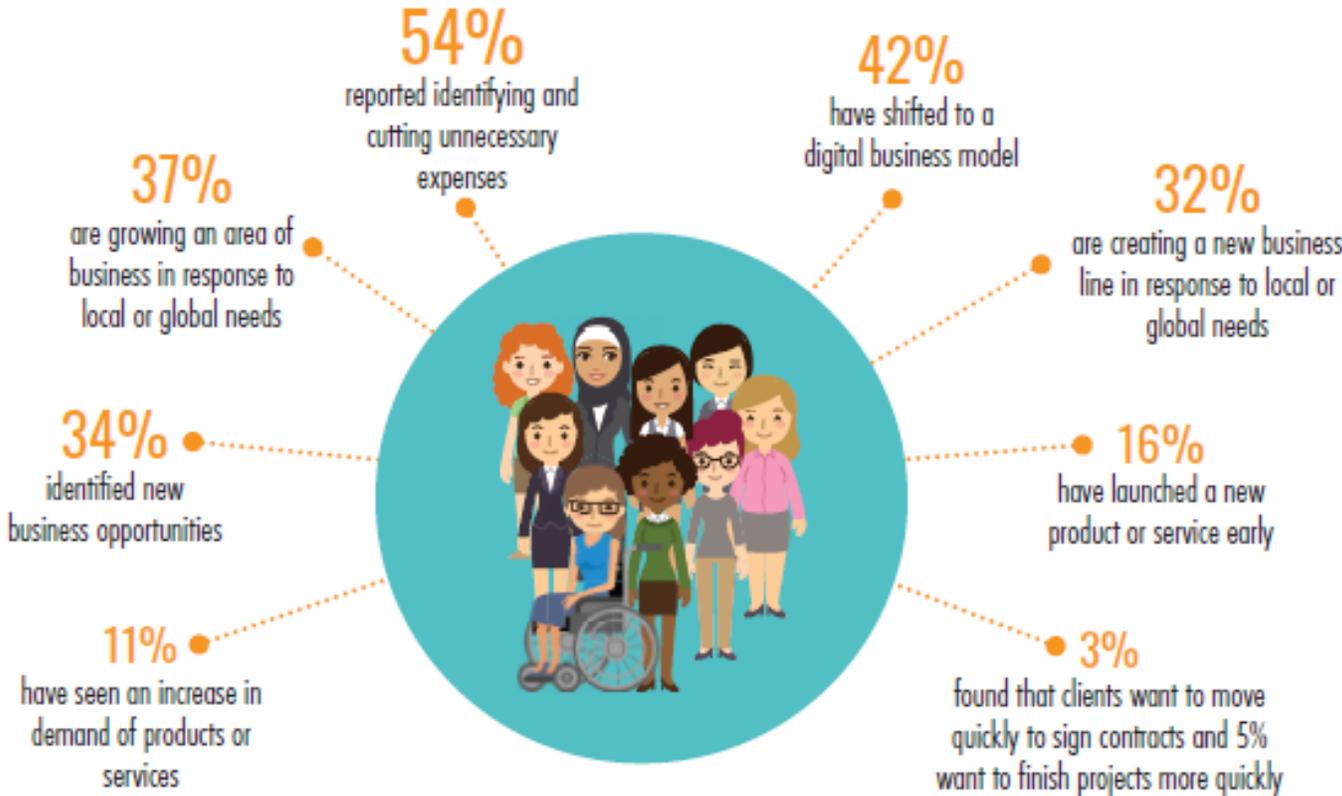
Employee Support

- More than one third of small businesses have reduced their number of employees²
- Decrease in employee morale, and hours due to revenues declining, inability to work remotely, and due to family care responsibility¹
- Need financial support to pay wages

Women Entrepreneurs are Optimistic and Resilient



THE BRIGHT SIDE: Women are adapting to optimize or refocus their businesses



IFC COVID 19 Solutions that support Women Entrepreneurs

- Sustain economies and protect jobs during COVID-19: [\\$8 billion in fast-track financial support](#)
- Provide [financial support to banks so they can help women-led businesses](#) address liquidity constraints through IFC's Banking on Women Program. Provide [capital](#) to private equity funds to provide much-needed financing to women-led SMEs in hard-hit sectors with support from [We-Fi](#)
- Support the digitization of women-led businesses through IFC's [Digital2Equal](#) Program
- Connect women-led businesses to corporate buyers through [IFC's partnership with WEConnect International](#) with support from We-Fi
- Provide guidance and advice to companies on how to diversify their supply chains and buy goods/services from women-led businesses through IFC's Sourcing2Equal Kenya Program
- Support financial institutions and their small business clients during the pandemic with webinars on topics such as accessing finance during the crisis, stakeholder communication, and more through IFC's [Grow Learn Connect](#) Partnership



Networks and Tools:

- Register your business with IFC Partner, [WEConnect International](#)
- Are you based in Kenya? Join IFC Partner, [Invest in Africa's](#) online business community
- Find support in your country: [World Bank Map of SME-Support Measures in Response to COVID 19](#)
- Search for investor and funder resources: [Covidcap.com](#) online searchable global database of over 600 COVID-19 responses via CASE at Duke University and World Economic Forum
- [COVID 19 response guide for e commerce businesses](#) and [MENA E-commerce Entrepreneur Knowledge Series](#)

COVID-19 IFC Gender Resources

- **Childcare solutions for Employers:** Childcare and family-friendly workplace solutions for employees with children ([Childcare in the COVID-19 Era: A Guide for Employers](#))
- **Examples of insurance solutions for women:** Best practices from insurance companies on how to support female employees, customers and agents during the pandemic ([COVID-19 and the Insurance Industry: Why a Gender-Sensitive Response Matters](#))
- **Business models for Inclusive Businesses:** Seven actions companies are taking to address needs at the base of the pyramid ([Leveraging Inclusive Business Models to Support the Base of the Pyramid during COVID-19](#))
- **Supporting Workers:** Tip sheet presenting information to support decision making in response to the impacts of COVID-19 on workers and employment ([IFC's Interim Advice for IFC Clients on Supporting Workers in the Context of COVID-19](#))

A woman in a white sari with small dark patterns stands in the foreground with her arms crossed. Behind her, four men wearing white hard hats and light-colored shirts stand in a line, also with their arms crossed. The background is a blurred construction site with wooden scaffolding.

Thank you!

www.ifc.org/gender

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