

# Case Study: Fundación Espoir

Bringing 'Espoir' (hope) to Ecuadorian  
Women Microentrepreneurs During  
COVID-19



*“Working with a gender lens is  
profitable, sustainable, and  
socially responsible.”*

*– Claudia Moreno, Deputy Director, Fundación Espoir*

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As the COVID-19 pandemic spread to Latin America in early 2020, consumer demand evaporated, supply chains froze, and entire regions were locked down. With the economy at a standstill, the outlook for Ecuador’s over 4 million microentrepreneurs (small business owners who employ less than 10 people) appeared devastating.

For female microentrepreneurs, the impact of the pandemic on business was particularly intense. While 38% of the country’s microentrepreneurs are women, they also represent 43% of the population without access to savings accounts, loans, and other formal financial services. Financial exclusion leaves female microentrepreneurs particularly vulnerable when weathering the short- and long-term economic impacts of COVID-19 - a disparity which Fundación Espoir (“Espoir”) aims to address.



French for ‘hope’, Espoir is an Ecuadorian microfinance institution (MFI) offering small loans to low-income microentrepreneurs who typically lack access to formal financing. Seventy-four percent of Espoir’s clients are women who use the loans to buy supplies and stock for their businesses and mostly work in sectors that were the hardest hit by the

COVID-19 pandemic, namely food services, retail, and tourism.

In addition to financial services, Espoir offers a holistic range of services to support the well-being of clients and their families, including affordable insurance, medical and dental assistance, and educational workshops on topics like reproductive health, nutrition, and natural disaster management. Espoir’s clients have historically been highly satisfied with the services offered by the organization: a 2019 study found that 79% of Espoir’s clients responded they are very highly likely to recommend Espoir to a friend or colleague.

### Turning a Disproportionate Impact into an Outsized Opportunity

Due to nationwide lockdowns, Espoir had to pause its in-person educational workshops and training, which are part of the core services they offer. As it became clear that women were among those most affected by the COVID-19 pandemic, Claudia Moreno, Deputy Director of Espoir, realized the technical assistance was an opportunity to enhance the support they provide to their primarily female client base.

“The organization was affected by COVID-19 like everyone else, but we saw this collaboration as an opportunity - an opportunity for improvement, an opportunity to provide services that met our customers’ needs in the times of COVID-19.”

*Claudia Moreno, Deputy Director of Espoir*

Shifting to a digital format was necessary, and Moreno wanted to make sure the transition was as accessible and beneficial as possible. With this in mind, Espoir collaborated with [Value for Women](#) (VfW) to identify how to best adjust its educational trainings to support the recovery and resilience of their female clients and their businesses.



Zoila (pictured above) is a fisherwoman in Jaramijó, Manabí Province. Before becoming an Espoir client, she only had one fishing boat. With Espoir’s loans and support over the last five years, she purchased two motorboats and a fishing net. Through sales from her business, she has been able to pay debts, provide food for her household, and share her daily catch with her neighbors.

[AlphaMundi Foundation](#) (AMF) with funding from the U.S. Agency for International Development (USAID) via the [INVEST initiative](#), and as part of the AMF gender lens initiative, was able to provide technical assistance funding to help small and medium enterprises (SMEs) address business challenges with a gender lens.

AMF and its implementing partner, VfW, an advisory firm that helps organizations advance gender inclusion, were able to provide technical assistance for Espoir to conduct both

a market study with female clients on gender-specific needs as well as an organizational gender assessment. Value for Women facilitated the process, including delivery of capacity building and skills-development training to Espoir staff, and developing strategic recommendations for the organization.

### A Market Study with Women Clients Sheds Light on Gender-Specific Needs

To pinpoint how they could adjust their educational workshops and training to continue delivering services during COVID-19, Espoir carried out a market research study among its female clients. Using gender-inclusive market research, Espoir aimed to understand the specific learning needs and preferences brought about by challenges from COVID-19.

The study was carried out in the rural Manabí province, where the majority of Espoir’s clients are located. Data from the study provided key learnings for Espoir which management implemented to adapt their services to best suit the needs of their clients.



Espoir operates in 7 provinces in Ecuador: Pichincha, El Oro, Guayas, Los Ríos, Santo Domingo, Esmeraldas, and Manabí.

## Key Findings

First, the study found that over 90% of female clients could access digital training materials, and there was high demand for digital content. Second, those female customers were interested in business- and finance-focused content. Finally, the study revealed the deep impact COVID-19 had with 98% of the clients surveyed reporting their businesses were negatively affected by the pandemic (e.g., reduction in sales, reduction or increase in working hours, or the complete closing of their businesses). To respond to the new challenges, more than half of the clients started using technology tools in their businesses, mainly shifting to online sales.

As noted above, **the study found women clients' access to cell phones and the internet was much better than Espoir originally thought**, with 92% of female clients owning a cell phone and 83% having internet access at home. This meant that a majority of female business owners could access digital content.



The content was also available to share via WhatsApp, the channel preferred by female clients. Furthermore, the study also showed that Espoir's clients saw value in participating in Zoom workshops, so Espoir partnered with a company to give practical Zoom workshops on different topics.

**The study revealed a high demand for more business- and finance-focused content.** This finding represents a shift from existing training topics like reproductive health and nutrition.

With this information, Espoir created new content for its e-platform, including courses on financial decision-making, using technology for business success, and business management. The new content covered topics such as "Tips for Saving", "Credit and Its Implications", "Entrepreneurship", and "Financial Health".

“The study confirmed that we have to be open to digitization because that is where the world is going.”

*Claudia Moreno, Deputy Director of Espoir.*

With these findings, Espoir began to develop digital content as well as an e-learning platform offering both courses and Zoom workshops. A toolbox of virtual training materials was created including videos and course content in formats including documentaries, cartoons and interviews.

By the end of 2021, Espoir had completed **three workshops with 2,719 total participants**. The digital content has also been integrated into in-person sessions in some provinces (as in-person meetings resumed). Agents, who lead the meetings, dedicate the start of each meeting to a discussion of the video content and reinforce the topics learned. While initially the service was intended to be available only for individual credit customers, Espoir decided to make its new e-learning platform accessible to group borrowers. **Within the first two months, 529 female group borrowers completed courses on the platform, representing 44% of all platform users.**

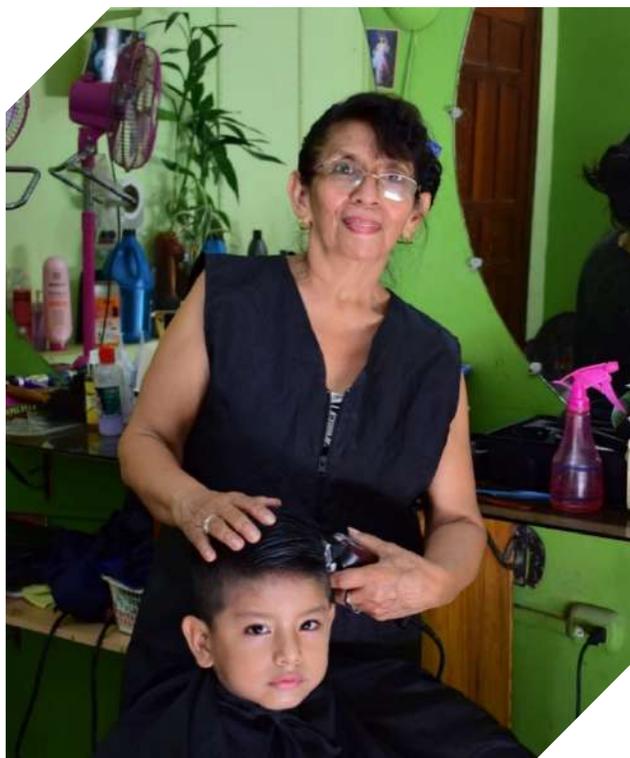
Within 6 months, **2,437 women group borrowers and 305 men group borrowers completed courses on the platform.**

Today, **women clients represent 89% of all platform users.**

By all measures, the initiative has been a success. Since launching in July 2021 **297 individual female clients have completed courses on the platform**, and over **28,000 female group borrowers have benefited from receiving access to training videos.**

A further survey revealed that 94% of clients stated being very satisfied or satisfied with the content of those videos, and almost all clients mentioned that the videos helped them learn about different topics. Espoir's clients found the new business content helpful, especially content on business, family, coronavirus, and women's wealth. In general, the clients recognized that the videos were motivating, and helped them get ahead in these difficult times.

Collecting gender-inclusive market research data has shed light on the distinct learning needs and training preferences of Espoir's female clients. Understanding the needs of their clients allowed the institution to make critical adjustments to their educational services for maximum impact. By making these adjustments, Espoir expects to increase its client satisfaction and retention, as well as attract more clients. By providing access to the e-learning platform, Espoir strengthened its educational impact at times when in-person education and training were not possible, and by providing relevant content aiding the recovery and resilience of their female clients and their businesses from the economic impacts of COVID-19. **As of 2022, Espoir's clients have obtained 12,861 certificates for attendance, out of which 89% are women.**



## Collecting Market Research Data Builds New Skills for Espoir Staff

For Moreno, it was important to ensure Espoir could reap the benefits of gender-inclusive market research beyond this initial study. So, instead of hiring an external market research firm, **Espoir's Education Services Department led the study** with support from the company's network of credit agents. **Value for Women engaged with Espoir to develop internal resources and know-how**, including how to conduct virtual training and collect gender-inclusive data.

**As result of the trainings, Espoir staff saw how the process of collecting market research data directly from clients would bring important value to their work.** Credit agents developed new skills that would help them strengthen their relationships with clients, while staff in the Education Services Department strengthened skills that would give them ongoing insight into how they offer trainings to staff moving forward.

Building internal capacity to perform gender-inclusive market research ensures Espoir can continue to apply this methodology in the future.



The impact of this engagement will be amplified in future work as Espoir staff will re-apply these skills. After the initial study Espoir staff led another study – this time to understand female clients' financial needs and to develop a credit product tailored to their needs.

The new product will also be paired with in-person and virtual trainings, leveraging findings from the study conducted via this partnership with the AlphaMundi Foundation and Value for Women.



“Collecting the data by ourselves was very positive because it allowed us to understand how the Education Services Department can meet the needs of our clients. The study gave us first-hand knowledge of what they need.”

*Team Member, Education Services Department.*

## Espoir's Internal Gender Assessment

In addition to the above research focusing on educational content, Espoir also participated in a comprehensive Gender Assessment in 2020 conducted through surveys, interviews, and an extensive company document review. The assessment highlighted strengths, achievements and areas of improvement, which then translated into a set of strategy recommendations by Value for Women.

The assessment found that there was a strong representation of women at all levels of the company, with women comprising 65% of Espoir's total workforce and 40% of the Board of Directors. Moreover, Espoir had policies and practices that support gender diversity in the company and its mission explicitly mentions its commitment to improving the quality of life of low-income women. However, the assessment revealed that there was room for improvement in terms of promoting gender inclusion internally through the formalization of policies and practices.

As a direct result of this recommendation by Value for Women, Espoir included a gender approach in all its manuals and policies. For example, during recruitment processes and performance management. In addition, Espoir now has a gender committee, a non-sexist advertising policy, an unconscious bias workshops, a protocol for the prevention of cases of discrimination and workplace harassment or any form of violence against women in the workplace, and a policy to assure that there is no gender wage gap.

While Espoir employees were generally satisfied with their employer, the assessment revealed that the work-life balance at the workplace could be improved through increased work flexibility, temporary reductions in working hours and avoiding unpaid overtime.

Additionally, the assessment found that by applying a gender lens to Espoir's market research in identifying the needs, interests, and learning preferences of women customers, the company could expand and diversify its customer base.

**Espoir was awarded by the Ecuadorian Government with the Violet Award for good business practices** to support women's employment and recognized by the **RFD with the "Red Financiera de Desarrollo" certification and recognition of "Inclusión Financiera 2021"** with mention to Espoir's financial education, reduction of the gender gap, and protection of vulnerable groups.



### Espoir Receives National Recognition for its Gender Lens Response

In March 2021, Espoir won the [Violet Award for Good Business Practices to Support Women's Employment](#). A distinction granted by **the government of Ecuador**, the award recognizes and publicly positions businesses **that create and sustain gender equality in the workplace**. Espoir received this national recognition due to their quick response to the disproportionate impacts of COVID-19 on their female clients.

## Recommendations for SME Investors from Value for Women

After the study was completed, the Value for Women team said that **AlphaMundi Foundation** was a **driving force** behind the work done, which **demonstrates the critical role that investors can play in SMEs' gender actions**. Prior to the assessment, Claudia Moreno considered Espoir to be a specialist in gender equality; however, thanks to the collaboration with Value for Women, Espoir was able to **deepen its understanding and implementation of gender issues and will continue to implement various actions to improve the company, both for female staff as well as female clients**.

Moreover, participating in this process has reaffirmed Espoir's belief that **applying a gender lens does not mean narrowing the business opportunity**. Instead, it **expands the breadth, depth, and relevance of the company's products and services by placing the client at the center**.

By customizing its products and services to the needs of its client base, Espoir can support its clients' livelihoods and continue to grow its business.



## Top tips for investors inspired by the example of Espoir and other SMEs from Value for Women

1. **Actively involve CEOs and senior leadership at key milestones** (initiative inception, gender diagnostic, strategy selection, program, and impact monitoring) to help increase SMEs' team motivation and align efforts with the business priorities.
2. **Encourage SMEs to solicit feedback and disaggregate results by women and men** to identify actionable gaps and understand gender segmented client preferences.
3. At several points throughout an engagement, **expect, and encourage SMEs to reflect on** whether they need to adjust planned **gender-smart activities to maximize gender and business impacts**.
4. **A longer implementation period** (i.e., 12 months or more) enables pivots, iteration, and strong alignment with businesses' preferences and timelines.

## Looking Ahead

Looking ahead, Espoir is motivated to share its learnings and demonstrate to other MFIs that working with a gender lens is profitable, sustainable, and socially responsible. **"What I learned from this collaboration is that we need to spread and promote the steps we are implementing to advance gender equality as an example for others,"** says Francisco Moreno, Chief Executive Officer of Espoir. Claudia Moreno's advice to other companies that want to be more inclusive is that a gender approach is an investment and companies that focus on women are not only sustainable but also profitable.



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You can also contact us at [valueforwomen@v4w.org](mailto:valueforwomen@v4w.org) to explore a collaboration to support your portfolio or SME, or just say hello.

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