



USAID
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Mainstreaming Gender Smart Investment Strategies among Institutional and Commercial Investors in Latin America

Mercado Libre



ABOUT THE ACTOR

Mercado Libre is the largest online commerce and payments ecosystem in Latin America, enabling e-commerce, digital, and mobile payments through a suite of technology solutions across the complete value chain of commerce. Present in 18 countries, Mercado Libre has become a market leader in many of these countries. The company's main focus is delivering compelling technological and commercial solutions that address the distinctive cultural and geographic challenges of operating an online commerce and payments platform in Latin America.

Mercado Crédito, the main financial services arm of Mercado Libre, offers working capital loans to micro, small and medium-sized enterprises (MSMEs) that sell through the platform or process their payments with Mercado Pago (Mercado Libre's digital payment services) and are a fundamental provider of credit for the MSME segment in Latin America.



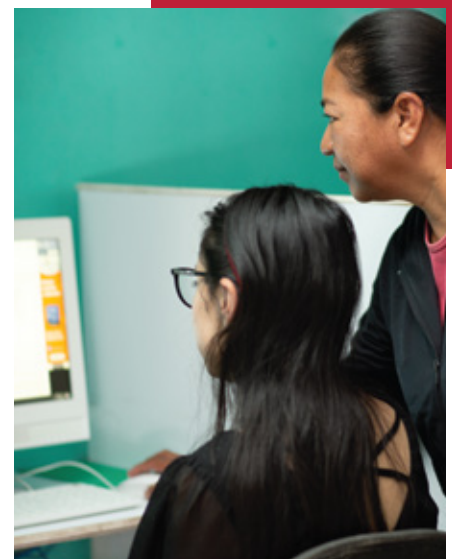
205M potential women entrepreneurs' clients
(Scope of Mercado Libre's project with **Emprende Pro Mujer**)



USD 3.8 Bn disbursed in loans

OVERVIEW OF THE TECHNICAL ASSISTANCE PROJECT

The **USAID**-funded project **Mainstreaming Gender Smart Investment Strategies among Institutional and Commercial Investors in Latin America, implemented by Pro Mujer and Acrux Partners**, consists of a technical assistance (TA) component that aims to support diverse financial sector actors to recognize gender gaps in both their internal and external business activities that can prevent the full inclusion of diverse and minority women's access to financial services, capital or institutional decision-making processes. Pro Mujer and Acrux Partners selected leaders from across Latin America's financial market at various stages in their development and incorporation of gender lenses in their investment strategies, organizational practices and financial and non-financial products and services. The technical assistance focused on Mercado Crédito, which offers an array of credit lines to the platform's buyers and sellers determined through borrower sales profiles. The consultancy aimed to identify potential interventions for incorporating a gender lens in the design and marketing of the Mercado Crédito financial products.



METHODOLOGY

To identify the institutional needs in terms of gender mainstreaming, Pro Mujer and Acrux Partners' methodology for Mercado Crédito included the following stages:



PROJECT ACTIVITIES

The following activities were implemented with Mercado Crédito over the course of two months:

Capacity Building - Gender Lens	Products & Services Analysis	Benchmark and Recommendations
<p>Introduction to gender equality, gender concepts, state of the market, relevance for the private sector and Mercado Crédito Mercado Crédito. Identification of potential interventions for incorporating a gender lens into financial products.</p> <p>Awareness raising on gender equality and avoiding biases through tools and resources available.</p> <p>Activities: workshops (x2) including presentation, materials, and Q&A sessions.</p>	<p>Defined and characterized client segment. Conducted research and analysis of services and products offered by Mercado Crédito. Identified advantages and opportunities for improvement of gender equality credentials in line with market demand. Presented peer examples of how to adapt Mercado Crédito's services for women clients or women led MSMEs.</p> <p>Activities: workshops (x2), materials and peer benchmark.</p>	<p>Provided recommendations on how to incorporate a gender perspective on Mercado Crédito's existing financial products and services, and on how to align communications or marketing materials of their products and solutions with the needs identified for the target client segment.</p> <p>Activities: Meeting (x1) materials and recommendations.</p>

CHALLENGES

During the initial scoping process and the quantitative and qualitative data collection stage, the following institutional challenges were identified:

- 01** Products perceived by staff as gender-neutral but unconscious biases remain
- 02** Lack of data-based decision making due to limited availability and analysis of gender-disaggregated data, to create interventions that respond to the different needs and priorities of targeted client segment.
- 03** No gender perspective has been previously applied in Mercado Crédito's product design or market research processes.
- 04** Communication and marketing materials do not completely align with needs of the target population.

SOLUTIONS

In close collaboration with Mercado Crédito, during the TA sessions, the following solutions were identified by Pro Mujer and Acrux Partners to respond to the challenges:

- 01** Benchmarking, best practices and approaches on how global peers designed their financial services and products with a gender lens, specific to Mercado Crédito's needs.
- 02** Raised awareness on how to detect and mitigate gender biases in product design and communication.
- 03** Provided training on how to best communicate and market the products offered to their women entrepreneurs' client segment, based on knowledge and experience in the microfinance and digital finance segments.



STRATEGIC SUPPORT

Considering the context, nature and main priorities for Mercado Crédito three priority areas were identified.

TARGET

The client segment selected by Mercado Crédito includes: Urban women between 27 and 40 years old; medium level of education; good access to technology (Whatsapp, Facebook); one-person business, where the business is their main source of income and they market through direct sales to the public and social networks.

COMMUNICATION

Benchmark of existing Mercado Crédito product/services communication materials and approach vs peers and best practice; identification of areas for improvement, and development of recommendations to better address their female clients.

PRODUCTS

Identify and make recommendations one of the financial products offered by Mercado Crédito, their terms and conditions, so as to best cover the needs of the chosen segment of women clients.

TRAINING

Recommendations to support the target client base in training and access to additional support to grow their business and develop their financial skills.

HIGHLIGHTED TIPS

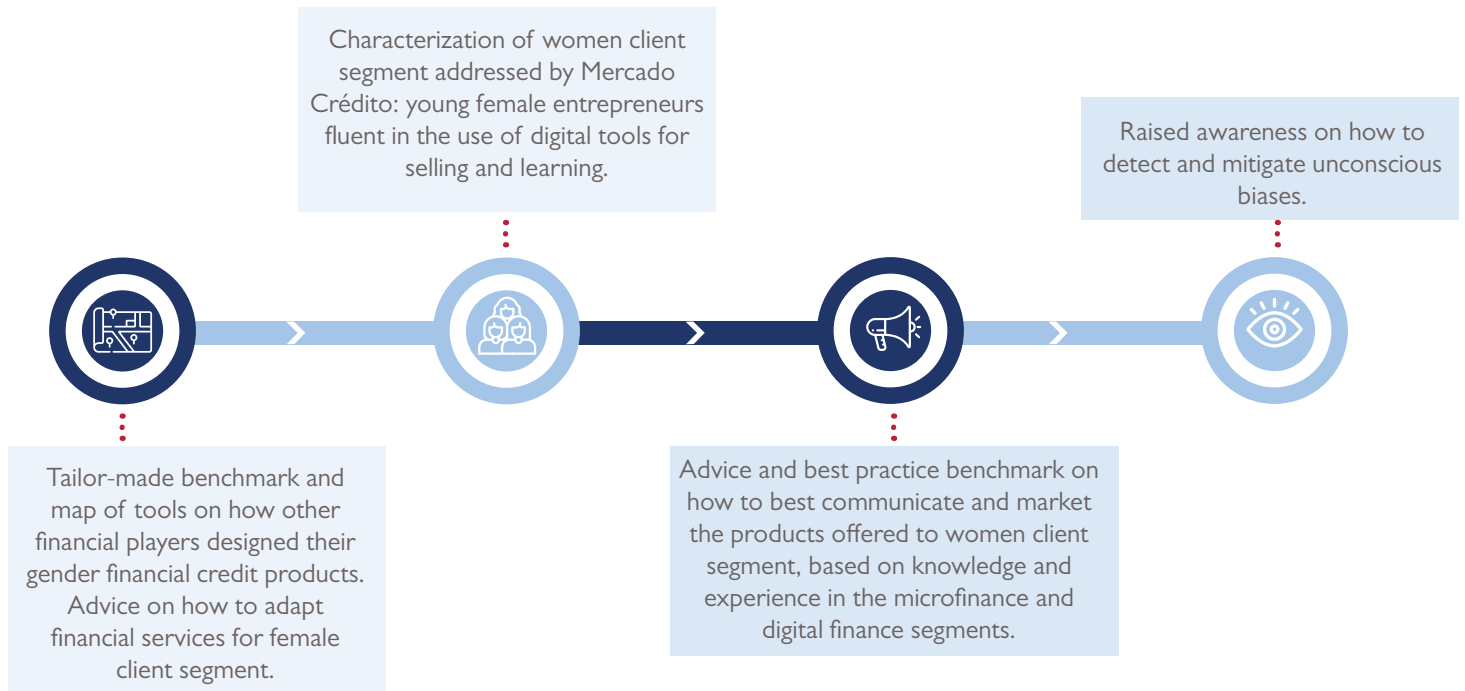
Product design: Adapt payment terms and amounts according to the business cycle of clients and adjust rates to the local market. Maintain simplicity of account opening and provide agile and personalized communication channels to build trust. Explore the use of data from complementary sources to MELI's platform information to increase and diversify the supply of finance at the client's level/scale.

Financial education: Continue to provide access to financial education and training on entrepreneurship, how to scale the business, and maximize the use of digital commerce tools.

Communication: Use real images that generate identification and initiate inclusive communication (e.g., images of women leaders with disabilities, incorporate sign language in product explanations, etc.). Inform about product benefits through the voice of women clients who are already accessing the product (e.g. videos with local women clients). Connect the message of the credit product with the real needs of women clients. Use gamification resources in the explanation of the product and conditions and consider cultural traits in communication.

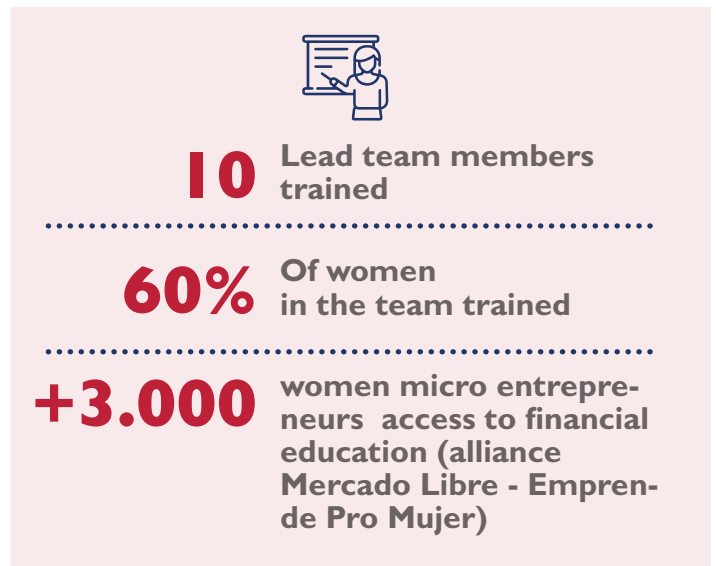


TECHNICAL ASSISTANCE RESULTS



LESSONS LEARNED

- 01** Make workshops practical, and offer corresponding tools to address challenges.
- 02** It is important to establish expectations from early on: what works well, for whom, and in what circumstances and whose priorities will shape the agenda. E.G: to understand how to best adapt their products/services features to target the selected client segment and how they communicated their value proposition to them.
- 03** It is beneficial to build on existing strategies, as it facilitates the identification of shortcomings and makes the workshops more effective.



CONCLUSION

Although well advanced in their internal institutional policies and practices, there were still areas of improvement on Mercado Crédito's external value proposition, where the technical assistance was focused.

Gender mainstreaming implies an organizational change that often takes time, and leadership buy in. It was then essential and a great advantage to work with Mercado Crédito's senior management team, to ensure recommendations are then taken forward.



Interested in learning more about gender mainstreaming?
Visit: thegenderplatform.promujer.org



*This case study was drafted by Pro Mujer and Acrux Partners, and was made possible by the support of the American People through the United States Agency for International Development (USAID). The contents of this document are the sole responsibility of Pro Mujer and Acrux Partners and do not necessarily reflect the views of USAID or the United States Government. **To enquire more about the technical assistance programs, please contact Pro Mujer Gender Knowledge Lab: genderknowledgelab@promujer.org***

