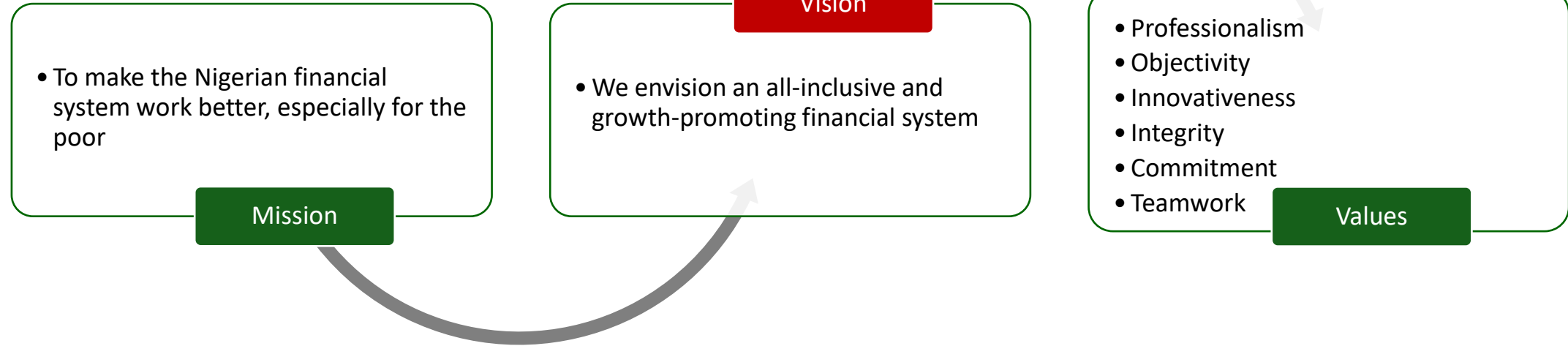


Impact of COVID-19 Pandemic on Women owned Businesses

Overview of EFINA



Who We Are

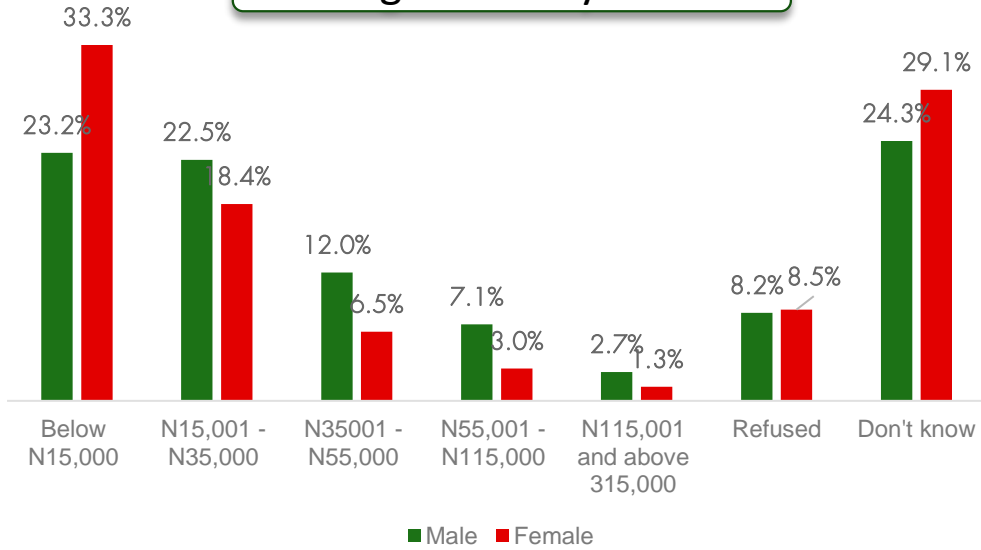


Enhancing Financial Innovation & Access (EFInA) is a Financial Sector Deepening (FSD) organisation established in 2007 that promotes inclusive finance in Nigeria. The FSD Network is a family of nine Financial Sector Deepening, or FSD, programs operating across Africa.

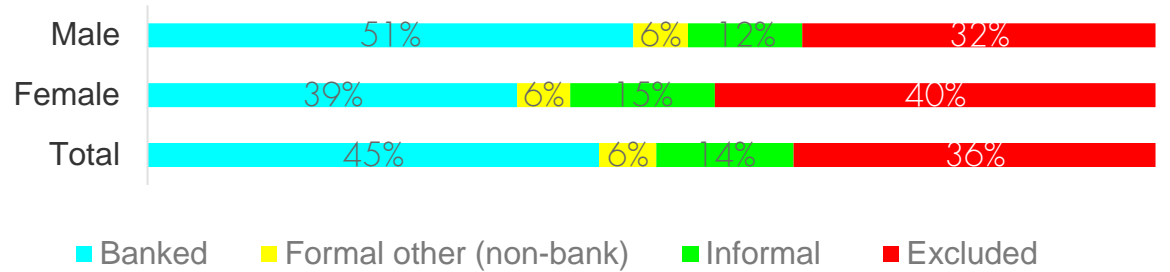
EFInA is renowned within Nigeria's financial sector for providing thought leadership toward achieving financial inclusion and championing the unbanked. EFInA's flagship research product is the biennial Access to Financial Services in Nigeria Survey.

Nigerian women are more financially vulnerable than Nigerian men, with lower levels of income, financial access, and financial health

Average monthly income

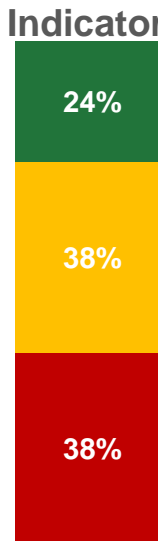


Financial Access by Gender - 2020



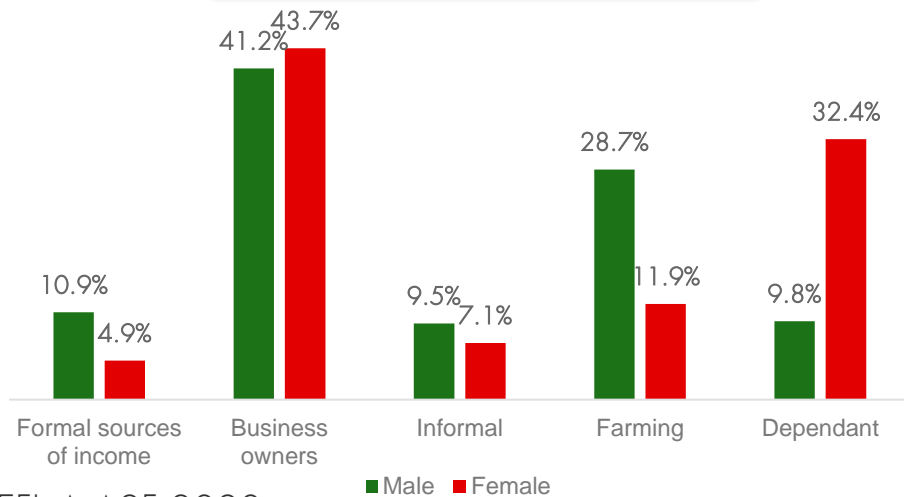
Financial Health of Nigerian Women

Financial Health Indicator



Fin Health dimensions	Low score	Medium Score	High score
Ability to manage day to day (spend score)	61%	10%	29%
Build and maintain reserves (save score)	28%	58%	14%
Planning and prioritising (Plan score)	35%	45%	20%
Ability to manage risks	46%	24%	29%

Primary source of income



■ Financially Healthy
■ Financially Coping
■ Financially Vulnerable

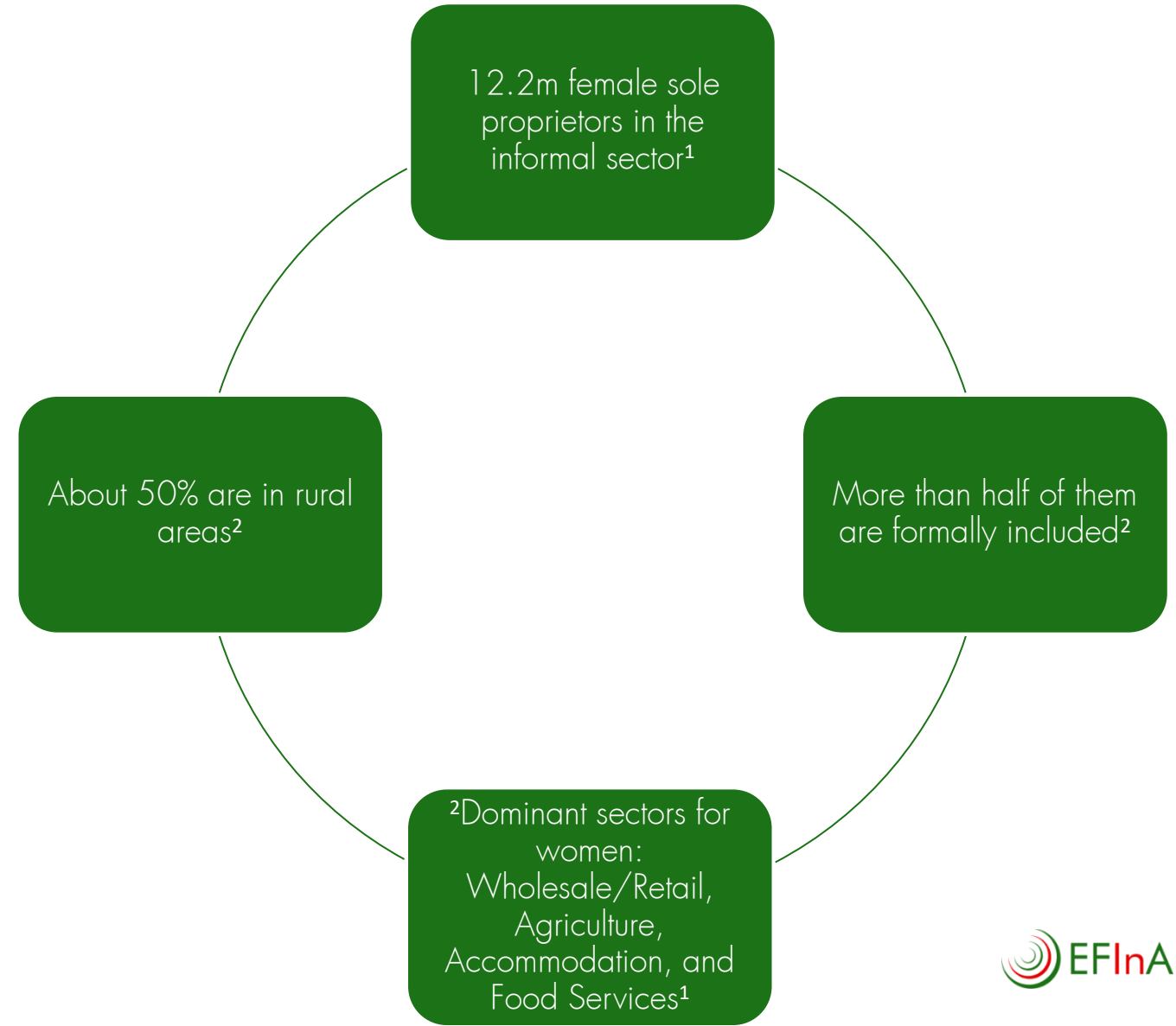
Demographics of Female-Owned Businesses in Nigeria

Facts about the MSME Sector in Nigeria

- In total, there are about 1.2m formal businesses in Nigeria and 38.4m informal business¹
- About 99% of informal business enterprises are in the Nano and Micro business category¹
- Most of them run the sole proprietorship business structure¹

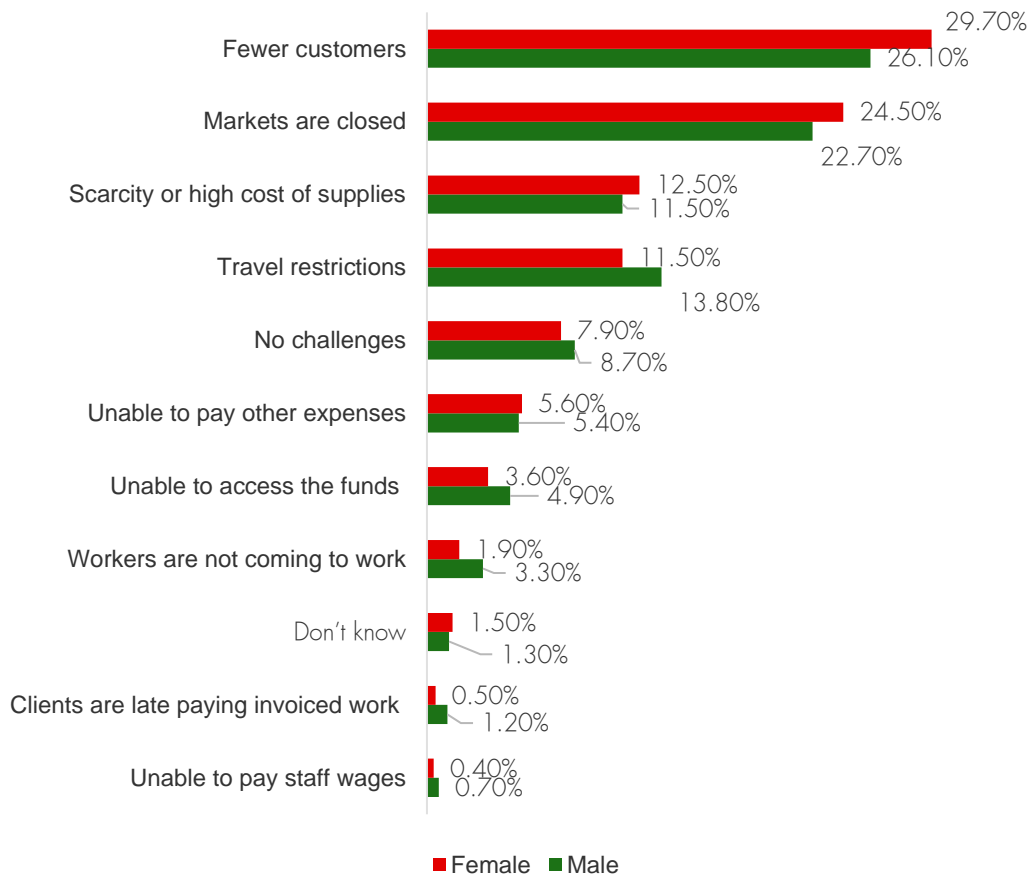
¹ SMEDAN/ NBS 2020 Survey

² EFlInA Access to Financial Services in Nigeria 2020 Survey



Female microentrepreneurs reported that fewer customers, closure of markets and scarcity/cost of supplies were their most significant challenges when the pandemic started

Biggest challenge faced by business as a result of COVID-19



- Since female business owners are likely to participate in less profitable ventures and low-investment sectors, the advent of the pandemic led to total loss of businesses for more female-owned businesses when compared to their male counterparts
- More female business owners struggled with managing their finances and paying outstanding debts during the pandemic. Some drained their savings and further increased costs of operations
- Movement restrictions affected more women-led businesses engaged in customer-facing sectors such as wholesale/retail trade, services
- Due to the digital divide that exists among Nigerian men and women, women-owned businesses were less likely to have online business platforms and therefore had fewer options for coping with restrictions
- Staff of women-owned businesses were also affected as businesses struggled

While women-owned MSMEs face challenges, there are opportunities to support the growth of the sector

- **Work with existing informal structures**
 - Women who were members of savings groups were better able to cope at the onset of the COVID-19 pandemic. The groups also supported women in pivoting to new activities such as creating PPE
- **Expansion of fintech/DFS with a gender lens**
 - Of the 23m women who say their primary source of income is their own business, 88% own mobile phones
 - Although FinTech has been expanding in Nigeria, the MSME sector is still relatively underserved, particularly for credit, insurance, and savings/investments
 - The FinTech sector can be more deliberate about designing for women. Of the top 30 FinTechs in 2020, only one had a product specifically designed for women
- **Expand use of credit/access to finance.** Of the 23m women who say their primary source of income is their own business:
 - 29% are borrowing
 - Only 1% borrow from banks (2% of men whose primary income source is their own business borrow from banks)
 - 2% are not borrowing from banks but borrow from other formal providers such as microfinance banks
 - 26% rely on informal providers or family/friends for credit

EFInA's Recommendations

Collect and analyse data on MSMEs that is disaggregated by gender of owner

Take an evidence-based approach to reviewing effectiveness of outreach to MSMEs

Design for women (financial products, government interventions, etc)

Link access to finance with other interventions such as business training and extension services

Continue to improve ease of doing business in Nigeria

Expand access to finance through DFI structures that drive sustainability of private sector offerings, rather than competing with them

Thank
you

Contact Us:



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