

## Actionable recommendations from the webinar: "Response to the pandemic crisis"

A summary of international literature published the last week of March and the first week of April included several common recommendations for financial service providers (FSPs). The [General Manager of Fundación Paraguaya](#) presented his experience and recommendations, and agreed with most of those offered by the literature.

Here are nine recommendations discussed during the webinar, held on April 9:

- 1) Collect data on your clients and their businesses.
- 2) Continue with the services that you can still offer, while taking the necessary precautions.
- 3) Advocate for your clients and their communities.
- 4) Keep your staff employed.
- 5) Take care of your staff's and client's health by modifying work protocols and group meetings.
- 6) Communicate frequently and regularly with your staff. Be a source of useful and truthful information.
- 7) Use digital channels to facilitate transactions without contact with cash or people.
- 8) Have empathy towards your clients.
- 9) Plan for the post-crisis future.

### Recommendations from literature and the field:

- 1) **Collect data on your clients and their businesses.** It is essential to interview your clients in order to understand their situation and how the crisis is affecting their health, families, and businesses. The ideal is to survey a random, representative sample of the institution's main client segments. This survey should be repeated every week or every two weeks during the crisis because the situation is evolving and the situation is changing rapidly. This information must be used to design the response for each client segment or each client, taking into account that there are businesses that can continue, others that need funds to adapt to the new situation and continue working, and many that will not be able to

The Research Department of Fundación Paraguaya, operating from home, interviewed 3% of their more than 200,000 clients, selected randomly, in order to document answers to a survey..

continue during the lockdown. SPTF has a tool for interviewing clients during the pandemic—[the COVID-19 Client Interview Tool](#).

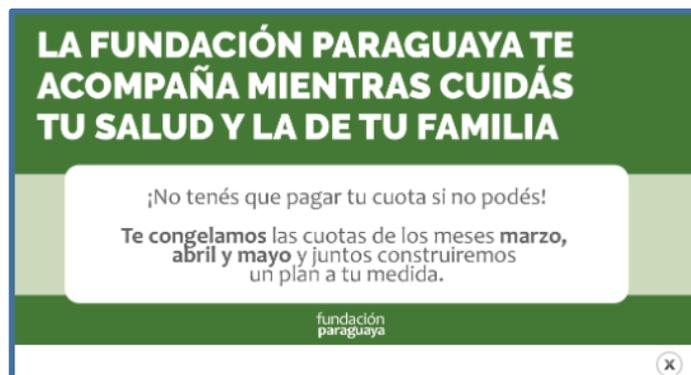
- 2) Continue working, to the extent possible, taking the recommended hygiene precautions to protect your staff's and clients' health.** Providers that offer non-financial services can continue with their education and health programs during this time. These programs are an important link with the community in times of uncertainty and fear. Providing truthful information about the virus and how to protect yourself is something that your customers will appreciate and sometimes clients trust their microfinance institution more than the government's news sources. Other important services that the financial institution can offer despite the pandemic are financial services that can be provided during the stay at home orders, such as:
  - Access to savings,
  - Ability to send and receive remittances, and
  - Access to credit (to adapt their business to the new circumstances or for consumption if the institution allows that type of loan).
  
- 3) Advocate for your clientes and their communities:** Many times, microfinance institutions or their national networks can advocate with the government for the benefit of their clients. Sometimes this includes being a channel to deliver government subsidies to their clients, as the institution has the necessary protocols and protections in place to disburse money to their clients. Fundación Paraguaya has made efforts to promote government support for the microfinance sector through a subsidy for both clients and microfinance institutions.
  
- 4) Keep your staff employed:** Fundación Paraguaya told us that one of its three main priorities in this time of crisis is to keep its more than 500 staff members employed. [SPTF has written about the importance of treating staff responsibly in these difficult times](#). The most important thing is to keep them employed, if possible, and then adapt their work to the new circumstances. Your staff can collect information regarding your clients and their businesses, provide them information about the virus and how they can protect themselves, and explain any changes in credit payment protocols. This will create loyalty between the staff and the institution, and help maintain strong bonds between the clients and the staff that represent the financial institution to the clients.
  
- 5) Take care of your staff's and clients' health:** by modifying work protocols and group meetings. For example, Fundación Paraguaya first sent its high-risk employees home; then, sent all employees to work from home; and, finally, refocused the normal responsibilities of its staff to attend to the new challenges emerging during the crisis. In addition, since 70% of Fundación's clients receive group loans, Fundación Paraguaya modified the group meeting process so as not to have more than 5 people present at the same time. The new rules forced clients to not bring their children or relatives to the meetings, to arrive only one or two members at a time to the house of the group's president instead of all at once, and for the president of the group to validate the signature of the client instead of the loan

officer. This allows groups to continue operating and for the Foundation to continue offering credit to its clients, even though it is in a more limited fashion.

**6) Communicate frequently and regularly with your staff and clients:** *Be a source of useful and truthful information.* This can be as simple as sharing accurate information on appropriate hand washing techniques, how to protect yourself from the virus, and what social distancing means. When loan officers call clients, they not only provide information they also provide continuity for that relationship with their clients and help alleviate their fears. Staff can help soothe clients' concerns regarding how they will earn money and make repayments during the crisis, by explaining the new options to restructure their loan. Staff can provide accurate information, express solidarity, and comfort their clients at this time of uncertainty. Likewise, the institution's management needs to do the same with the staff, assuring them that they will have a job, explaining the changes to their incentive structure and compensation, and informing them about the expectations they need to meet during this time of new responsibilities.

**7) Use digital channels to facilitate transactions:** free of contact with either cash or people. If the institution already has digital channels, let clients know how to use them. If you have pilot projects or plans to launch digital channels, now is the time to scale them up. If your institution has not yet started to use technology to offer digital financial services (DFS), [please read the guide that the SPTF has just published on how to take the first steps towards DFS.](#)

**8) Have empathy towards your clients:** When a person visits Fundación Paraguaya's website, a box appears blocking the rest of the page. The client can only continue navigating the site's contents after reading the box and closing it. This box explains that the client does not need to pay if he/she cannot, because payments have been suspended for three months. It ends with the phrase: "Together we will build a customized plan for you." This is the way in which an institution shows empathy towards its clients, by making sure that they understand the situation, and that both the institution and clients will participate in designing something new to face this crisis together and build something that works for both of them.



**9) Plan for the post-crisis future.** Now that you cannot leave your house, it is a good time to plan how field operations will resume once the stay at home orders are lifted. Document the possible scenarios and expectations on how to emerge from this crisis. For example, Fundación Paraguaya foresees three months of crisis, a slow recovery when resuming

operations, and one year to go back to where they used to be before the crisis. Now is a good time to:

- a. make a contingency plan and/or an institutional resiliency plan,
- b. think about the digital channels that would have been useful during the crisis and plan for their subsequent implementation,
- c. document the guidelines and expectations that will guide your staff when they need to resume collections with empathy after the lockdown.

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