

11th Annual G-24/AFI Policymakers' Roundtable on Financial Inclusion at the Spring Meetings

DFS and Gender Policy Framework- Project Update and Initial Findings

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Section 1: Background, Approach and Methodology



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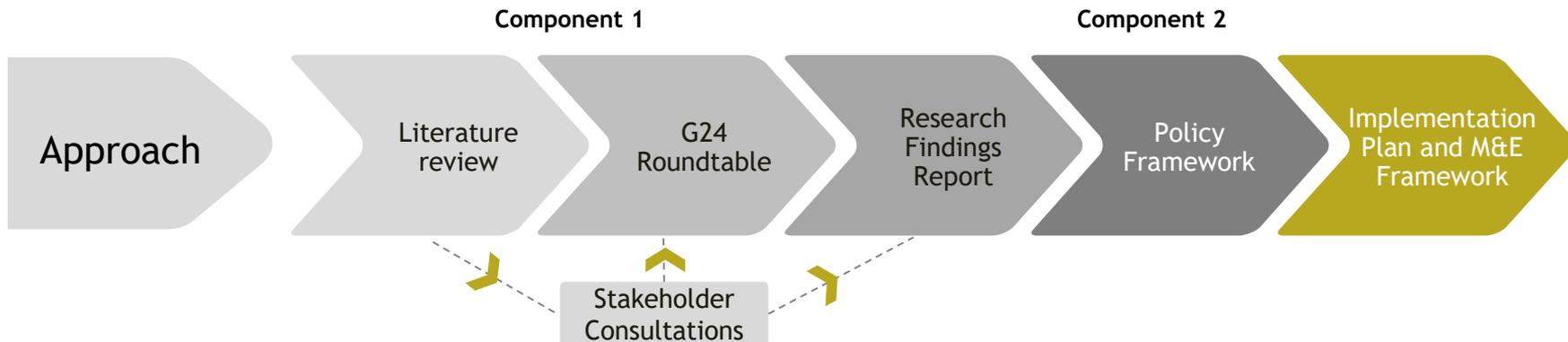
Project background and MSC's approach

Objective

To underscore the role of DFS in enhancing and sustaining the access, use and overall quality of financial services by women

Expected Outputs

1. Detailed research report on global initiatives and policy landscape of DFS and Gender
2. Policy framework, implementation plan and M&E framework



Progress Update

1. **Finalized our approach** in consultation with AFI team.
2. Conducted secondary research and concurrent analysis of findings.
 - a) Reviewing women's financial inclusion policies of 40 countries
 - b) Reviewing private sector and donor-led initiatives
3. Drafted a list of questions for **stakeholder consultations** in consultation with AFI team, shared with members under the different Working Groups in AFI
4. Participated in introductory meetings with AFI's **DFS & Gender Sub-group** and **Gender & Women's Financial Inclusion Committee**
5. Presented the approach and initial findings in **DFS Working Group meeting in Bahamas**. The group has shared their feedback with us.
6. Commenced stakeholder consultations:
 - a) Interviewed representative from Bank of Ghana
 - b) Interviewed representative of PFIP



Section 2: Gender gap in women's financial inclusion and DFS use



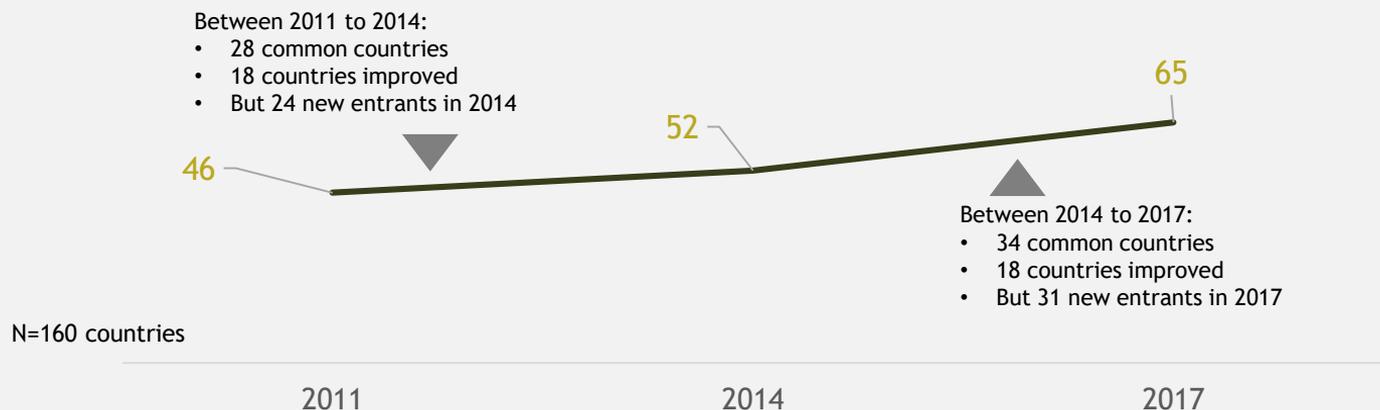
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Though women's financial inclusion has improved over years, the gender gap is still persistent

- From 2014 to 2017, women's account ownership in developing countries has grown from 51% to 59%.
- However, the gender gap has remained a consistent 9 percentage points for developing countries. In fact, the global gender gap increased slightly from 7.1 percentage point in 2014 to 7.4 percentage point in 2017.

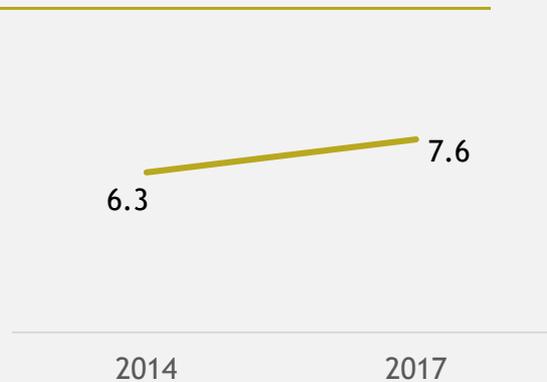
Number of countries with >7 percentage point gender gap has been increasing over the years



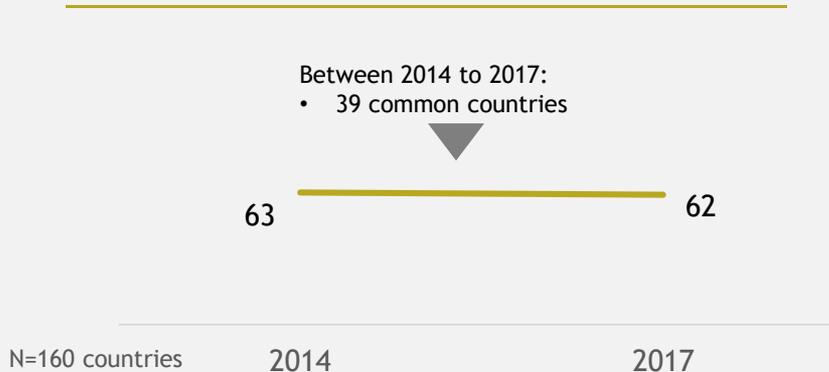
22 countries persistently maintained a gender gap greater than 7 percentage points from 2011-2017.

The gender gap in DFS usage is increasing as well

Global gender gap in DFS usage*



Number of countries with 'gender gap in DFS usage' more than global average*

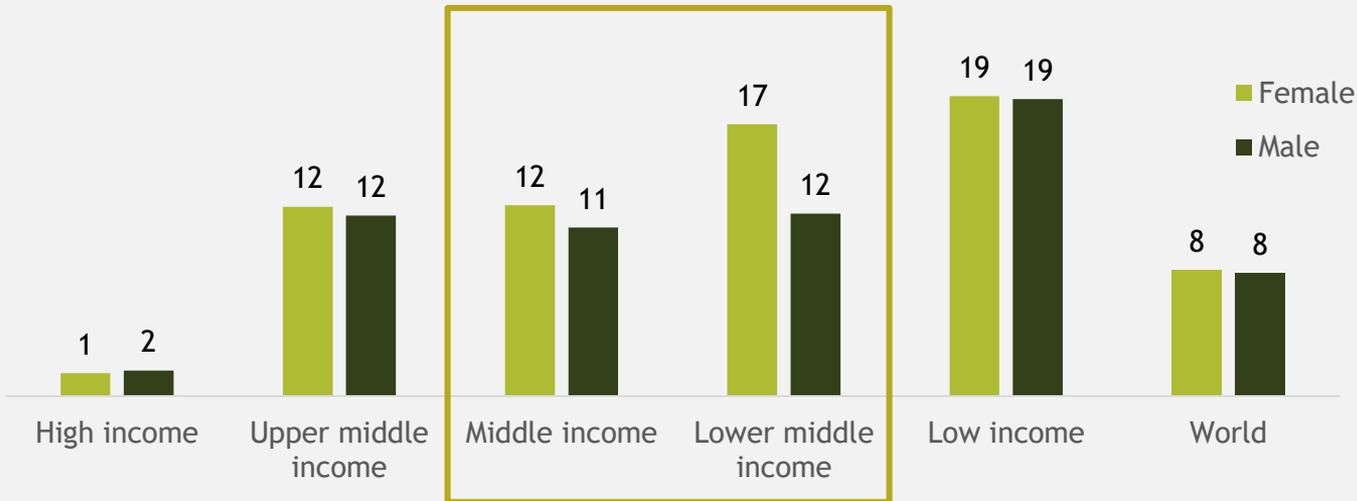


- Access to mobile phone is an enabler for improved DFS usage by women.
- Although 80% women in low and middle income countries have access to mobile phone, usage of the same amongst women is not as high as men. This could be due to barriers of literacy, affordability, relevance, and safety**
- Household power dynamics, disparity in asset ownership & access to resources are other important contributing factors.

However, the growth is higher for women in LMI countries.

- Digital payments have been growing at quite a rapid scale worldwide- over 52% of the population have used digital payments in some form or the other (in 2017).
- The number of women DFS users are growing (CAGR: 2014 to 2017) faster than men in middle and lower middle income countries.

Gender Disaggregated CAGR of DFS Usage (in %): 2014 to 2017



Section 3: Preliminary findings from Secondary Research and Stakeholder Consultations



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There is a pressing need to make gender a core pillar for financial inclusion policies (1/2)

- The gender aspect for financial inclusion is either covered as part of National Financial Inclusion Strategy or National Gender Policy (NGP). However, a NGP with focus on women's financial inclusion is really difficult to find (notable exception: Egypt)
- In most NFIS, Gender appears only in passing reference as a 'good to have' component.
 - **Case 1:** No mention of gender in the entire policy document. However, the M&E framework mentions gender centric indicators: "Proportion of adult women with a deposit account in a formal financial institution"
 - **Case 2:** Enable financial services and delivery channels to leverage technology to design and deliver services for a diverse range of population including women, youth, rural-based population and MSMEs
- However, MSC's experience and commentaries by various think tanks and researchers establish the fact that keeping gender as a 'good to have' component never works to achieve aspired goals. It has to be specific and actionable.



There is a pressing need to make gender a core pillar for financial inclusion policies (2/2)

- There is a need to have a **dedicated gender pillar in NFIS** which can have both gender specific initiatives as well as integration with existing pillars of NFIS **with earmarked resources, capabilities and metrics to measure progress. Furthermore, this must be aligned with the SDG commitments.** For e.g.
 - How exactly is gender articulated for DFS
 - How exactly will the women be targeted for financial literacy
- If the country has a NGP in place, the gender pillar of NFIS should draw its guiding principles from the vision suggested in NGP- especially those socio cultural aspects which are closely linked with financial inclusion but beyond purview of NFIS (e.g. asset ownership, domestic violence). NFIS should build on initiatives on the lines mentioned in NGP.



Initiatives of private players and donor agencies provide a great learning base of successful initiatives- ready to be picked up by national policy makers

Initiatives	What the private players are doing
Responsible product design	Designing women centric financial products catering to needs of women. <i>E.g. Various initiatives of Women's World Banking (WWB) in partnership with FSPs and donor agencies</i>
Policy level advocacy	Identifying proof of concept through research and advocacy at the policy level to create an enabling environment <i>E.g. UN Women, World Bank Group</i>
Innovative pilots	Developing specific financial products for women groups with diverse needs and abilities, developing inclusive digital payment platform etc. <i>E.g. UNCDF, DFAT, GBA, BMGF</i>
Financial and digital literacy	Innovative ways to orient women on financial literacy, designing modules for effective digital and financial literacy <i>E.g. Wave Money (UNCDF funded), CSR organizations, DFID (PSIG FL initiative)</i>

Section 4: Policy Framework Contours



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The policy for women's financial inclusion and DFS use will have five major contours (1/2)

1. Focus/stress on situation analysis

- a) *To understand current status of gender gap in FI & DFS*
- b) *Performance of critical prerequisites such as- identity documents, spread/coverage, financial service access point etc.*
- c) *In the country context what motivates women to use DFS*

2. Policy framework tool with a set of key parameters that will form the guiding principles

- a) *Enabling environment (household, community, markets, state)*
- b) *Access and Affordability to formal financial services*
- c) *Capacity Building of women in terms of tackling the barriers that women face - financial and digital literacy*
- d) *Use cases to provide women a strong rationale to use formal financial services*
- e) *Gender centric financial products & services (with focus on holistic need and priority of women) and ensuring customer protection*
- f) *Platform for women's voices heard while shaping policy initiatives*



The policy for women's financial inclusion and DFS use will have five major highlights (2/2)

3. Integrating DFS and women's financial inclusion- designing DFS initiatives with sole focus of mainstreaming of women's inclusion in formal financial services by targeted intervention
4. An **implementation plan** to incorporate policy framework into existing regulations/guidelines, which includes:
 - a) *Process to contextualize framework elements to suit specific country specific conditions*
 - b) *Use of platforms such as AFI to cross learn from other countries/regulator*
 - c) *Specific action plan with details of- what, how, where, timeline, resource planning*
5. A **strong M&E system** to measure progress and evaluate initiatives, so that relevant modifications can be taken up
 - a) *Appropriate indicators*
 - b) *Capturing, analyzing and using gender disaggregated data*
 - c) *Impact assessment guidelines of various solution levers to inform the policy design*



Policy initiatives can be categorized into three levels in terms of priority and country context



Level 1 - COMMENCE

- Increasing access points (specifically DFS agents) and ensuring affordability of formal financial services
- Gender Disaggregated Data Analytics, tracking progress
- Financial Literacy
- Focusing on various sub-segments of women
- Community based approach- women's collectives, ground level campaign mode operations to on board new women customers
- Targeted communication



Level 2 - ACCELERATE

- Digital literacy
- Gender centric and consultative product design
- Gender sensitization of FSP staff- especially for banking agents (DFS/MFS)



Level 3 - SUSTAIN

- Creating rationale to sustain use (Use Cases)- livelihood schemes, G2P
- Effective gender sensitive customer protection and grievance resolution mechanism
- Peer to peer knowledge sharing among countries using platforms like AFI

Enablers of growth

Regulatory Sandbox
Advocacy for enabling environment (policy / legal)



THANK YOU

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