

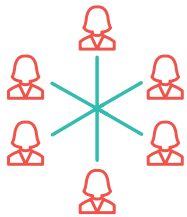
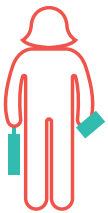
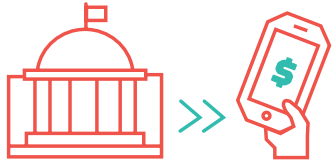
# REACHING FINANCIAL EQUALITY FOR WOMEN

A 10-point action plan for governments and businesses to rebuild stronger after COVID-19 by prioritizing women's digital financial inclusion

MARCH 8, 2021



# 10 ACTIONS TO REACH FINANCIAL EQUALITY



REACHING FINANCIAL EQUALITY

## CHAMPION VOICES



The digital revolution offers Indonesia an opportunity to fast-track our economic development, and importantly, to ensure that our economic growth is inclusive. Digital financial services are an important facet of this revolution. It is imperative that Indonesian women, who are key economic agents, have equal access to digital financial products and services that cater to their needs and aspirations.

**H.E. Sri Mulyani Indrawati**  
Minister of Finance  
Republic of Indonesia



Our government is working towards reducing the gender gap in access to financial services by half in the next five years. Key actions include securing gender disaggregated data and promoting gender representation in leadership, including board and management of the financial sector and institutions. We are also implementing specific mechanisms to address known women prerequisite access barriers, like lack of ID and limited access to mobile phones.

**Mr. Ahmed Shide**  
Minister of Finance  
Republic of Ethiopia



In a collaborative and united society, strengthening the financial inclusion of women through digital technology means maintaining a social balance for sustainable growth.

**Ms. Madame Zahra Iyane THIAM DIOP**  
Minister for Microfinance and  
the Solidarity-Based Economy  
Republic of Senegal

# CHAMPION VOICES



The Bank of Central African States has placed women at the center of its financial inclusion strategy. This is largely based on the digital financial inclusion of this segment of the population, taking full advantage of the accelerated development of information and communication technologies.



I strongly believe that easing access to financial services by women, at household level, will have a huge multiplier effect on the economy. The Reserve Bank of Malawi will continue with efforts to reach out to the underserved segments of the population and ensure more women and girls are empowered to actively contribute to the economic development of the country. This will help to significantly close the gender gap and remove the inequality that currently exists in the financial sector.



In Peru, we are developing a universal digital account, provided by the national payments bank, Banco de la Nación. We want to ensure that every single woman, every single citizen in this country, will have the financial access and incentives needed to improve their lives and livelihoods, particularly during such difficult times, dealing with the impact of the COVID-19 pandemic.



**Mr. Abbas Mahamat Tolli**  
Governor, Bank of Central African States



**Dr. Wilson T. Banda**  
Governor, Reserve Bank of Malawi



**Ms. Carolina Trivelli**  
Former Minister of Development and Social Inclusion  
Republic of Peru



## CHAMPION VOICES



As the first apparel retailer to set an ambitious requirement that our suppliers pay their workers digitally, we are leveraging our scale to boost financial inclusion for millions in the global supply chain. This commitment complements our P.A.C.E. program, which has provided financial literacy and other essential life skills to 800,000 women.

**Ms. Sonia Syngal**  
CEO, Gap Inc.



In January, Unilever announced very stretching commitments to help build a fairer and more inclusive world because, frankly, we can't achieve sustainable growth for our business without a society that is more equitable and inclusive. Digital financial inclusion can play a huge role.

**Mr. Alan Jope**  
CEO, Unilever



Digital payments like mobile money have tremendous potential to increase women's financial inclusion and close the gender gap in access to financial services in low and middle-income countries. Both finance and technology are important ways to increase women's empowerment, which is why UN Women urges stakeholders to transform their systems in ways that support gender equality and women's full financial inclusion.

**Ms. Phumzile Mlambo-Ngcuka**  
United Nations Under-Secretary-General  
and Executive Director of UN Women







## INTRODUCTION

During the past decade, women's economic and financial inclusion has become an increasing priority for governments and companies, driven by evidence that its benefits range from increased agricultural output, to greater business resilience, customer retention and GDP growth. The results have reinforced the importance of removing structural barriers to women's active participation in the formal economy.

Despite this evidence, the unfortunate truth about the challenges of providing digital financial services to women is revealed in a [recent G20 report](#). In many countries women's rights are still not protected under law. Too many women lack access to formal identification, and so are unable to open a bank account, own property or develop a credit history, which are essential to save, build assets, secure a loan, open or expand a business. Many cannot even buy a basic mobile phone to send and receive money. Financial service providers of all kinds operate without women in leadership or equal numbers of women agents and bank tellers. Many financial service providers have not yet realized how women clients can be a strong profitable customer segment, and have not invested in products, services or channels that meet women's needs.



©UNCDF Bangladesh

The impact of COVID-19 has hit women and girls hard. The World Bank [reports](#) the first increase in extreme poverty since 1998, with a minimum of 71 million people expected to fall into destitution, and UN Women [estimates](#) that at least 47 million more women and girls will fall below the poverty line in 2021.

**There will be at least 247 million women 15+ living in extreme poverty this year.**

The pandemic's economic wreckage will also endure longer for women as they disproportionately work in the informal sector and are less likely to qualify for government relief services.



The response to financial inequality has been well-intentioned but fragmented. **The ambition post-COVID-19 needs to match the massive scale and urgency of the crisis. Success is dependent on everybody doing their part.**

Drawing on decades of experience, research and in-field activity, the following

## 10-point action plan to end financial inequality for women

aims to help end the continued economic exclusion of half the world's population and to build more resilient economies. All 10 actions are equally important, they are not sequential steps but mutually reinforcing actions for all stakeholders committed to reaching financial equality.









## 01 DIGITIZE PRIVATE SECTOR PAYMENTS

Businesses of all sizes can help women get bank accounts by paying their employees, suppliers and distributors digitally rather than in cash. According to the Global Findex, approximately 200 million adults worldwide opened their first account to receive digital private sector wage payments, including 85 million women.



**80 MILLION**  
unbanked women continue  
to receive private sector  
wage payments in cash.

**Governments also have an important role to play in making sure the policy framework encourages businesses to digitize payments.**

The garment industry—which tends to have a significant population of female workers—is a good example of the impact the private sector can bring to women and the economy. Research in Bangladesh suggests that digital wage payments help factory workers boost their savings and improve their ability to manage financial emergencies.



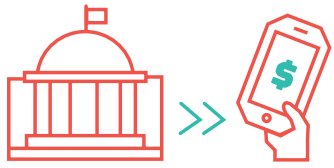
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Training women workers in budgeting, savings and responsible use of financial products, such as through the [BSR HERfinance digital wages tools](#), can also enable women to meet their financial goals and be more in control of household finance. In addition to increasing financial inclusion for employees, digital payments cut costs and improve efficiency. After moving its Indian supplier factories to digital payments, [Gap Inc. reported time savings equivalent to having 16 additional full-time workers on production lines per month](#), plus a reduction of employee turnover by up to 20 percent. Since the onset of COVID-19, there has been a surge in digital wage payments to avoid the health concerns of lining up to collect cash payments and handling cash. As a result, millions more factory workers around the world are receiving payments into mobile money accounts.

*“Before I had a bank account I wasn’t saving money on a regular basis. I used to just bring my entire salary home as cash and give it to my family. Now with every paycheque I put some money into the account and I can start thinking about plans for the future.”*

*Taslina Sultana Khanam, Chair Brahminbaria Sadar Women Development Forum, Bangladesh*

[Source](#)



## 02 DIGITIZE PAYMENTS OF GOVERNMENT SOCIAL BENEFITS

The COVID-19 pandemic threatens to wipe out hard-won gains in global development and gender equality. In response, [World Bank data \(2020\)](#) indicate that nearly 215 countries and territories have planned, introduced or adapted more than 1,414 safety net payments and other social protection measures for the most vulnerable populations.

Digitizing these payments is a proven way to boost financial inclusion and help women beneficiaries strengthen their [household decision-making power](#) and bolster their [labor force participation](#). For example, **85 million women opened their first account to receive public sector wage payments**, and an additional 80 million did so to collect government social benefits.

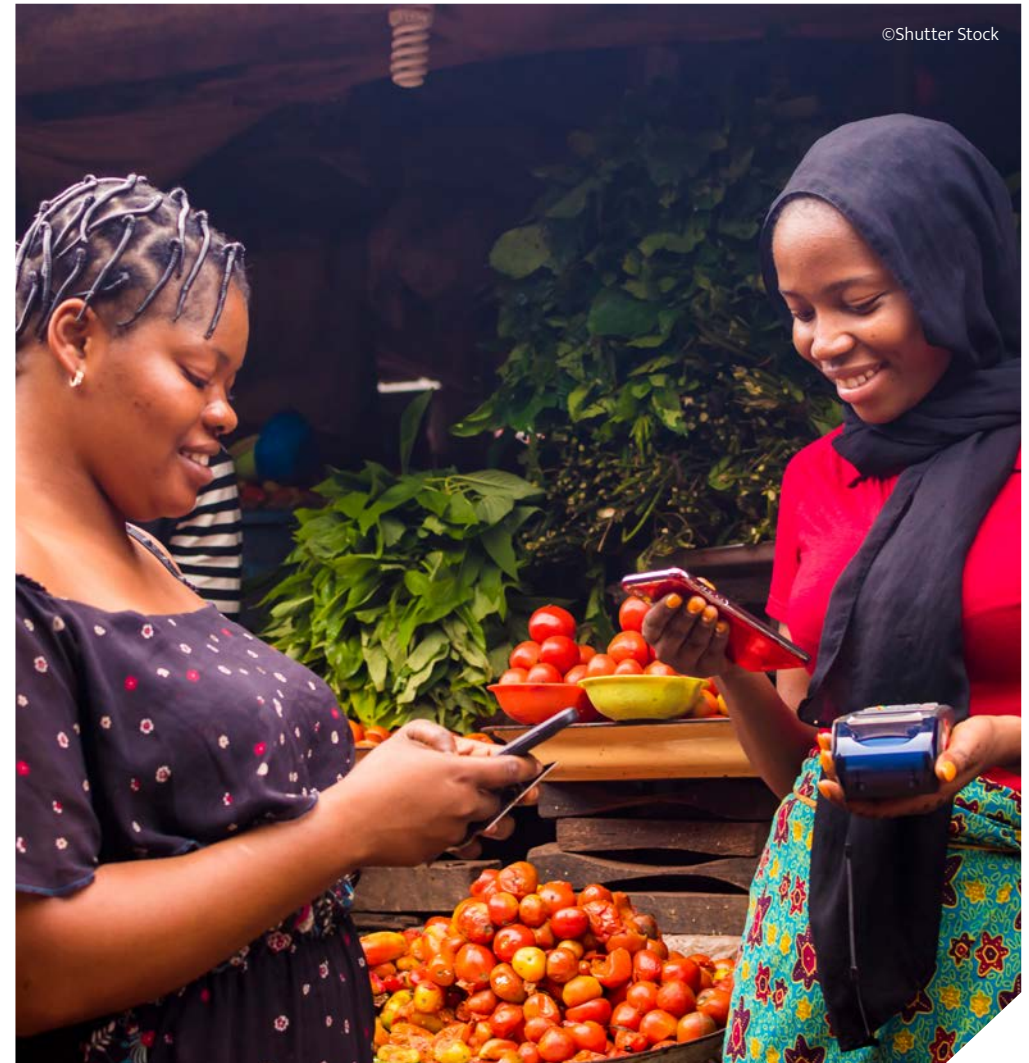
Yet more opportunities remain as

# 60 MILLION

unbanked women receive government payments in cash.



Given the urgency to provide COVID-19 cash assistance quickly, it is important for governments to [manage potential risks](#) when digitizing payments, particularly the risk of [excluding women](#), and instead provide women with [agency](#) at every step including [choice of payment service providers](#) and appropriate digital and financial capabilities. Experience shows it essential to apply a gender lens to the whole design and implementation of [COVID-19 emergency schemes](#).



Evidence suggests that financial training is more fruitful when provided during moments when women have a specific reason for learning these skills, such as when receiving government payments. Also, technology, including text messages, can provide information cheaply and improve financial behavior. For example, in [Colombia](#), rural recipients of conditional financial transfers, who were mostly women, were loaned tablets pre-loaded with compelling financial literacy content and positive outcomes in financial health were still [observable](#) two years later.



# WHAT POWERS HER LOOM?

A story of women's digital financial inclusion from Manipur, India

 PLEASE CLICK HERE TO WATCH THE VIDEO





## 03 OUTLAW DISCRIMINATION AGAINST WOMEN

Research shows that women’s financial inclusion tends to be higher in economies where there is legal equality between men and women. According to the [World Bank’s Women, Business, and the Law database](#), there are **115 economies in which laws prevent women from running a business in the same way as men** and **167 countries have at least one law that restricts women’s economic opportunity**.



### 115 ECONOMIES

in which laws prevent women from running a business in the same way as men.



### 167 COUNTRIES

have at least one law that restricts women’s economic opportunity.



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For example, in several countries around the world, women cannot legally apply for identity documents or bank accounts in the same manner as men. One of the main challenges [cited](#) is norms underlying the laws: “Money is [viewed as] the domain of men. Society doesn’t view it as her role to earn money or her right to make financial decisions”. Addressing legal discrimination is another essential building block to women’s financial inclusion.

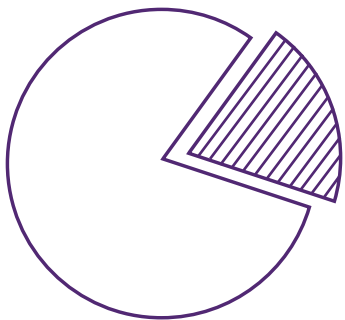
Governments, regulators, companies and civil society all have valuable roles to play in overcoming discrimination. It is also particularly important that women are free to advocate to improve their social, political and economic rights, as **women’s rights organization and feminist movements have played a critical role in reducing gender inequality in many sectors**. Policy makers can also invite feedback from women’s groups through public-private policy dialogues, as for example, the [Central Bank of Sierra Leone](#) has done in partnership with UNCDF.





## 04 ENSURE UNIVERSAL ACCESS TO IDENTIFICATION

Having a national identification document is typically a requirement for obtaining financial and mobile phone services.



Globally, one in five unbanked women say lack of ID is a key barrier to opening an account.

ID ownership is particularly low in Sub-Saharan Africa, where women are 9 percent less likely than men to have ID. According to Global Findex-ID4D data, the most common use of ID in Sub-Saharan Africa is to obtain a SIM card or mobile phone service—essential for accessing digital financial services.



**Governments should remove barriers to women accessing formal identification.** Barriers include requiring a married woman to provide documentation of her husband's name in addition to her own, as well as the need to travel far, wait in long lines, and pay high fees to register and obtain an ID. Leveraging mobile registration to reach women, creating female-friendly registration sites, and providing targeted information to women about where and how to register as well as the benefits of having an ID, are all effective ways to increase access.



## 05 END THE GENDER GAP IN MOBILE PHONE OWNERSHIP

Mobile phones are a game-changer in expanding access to financial services—from paying, to getting paid, to sending money. Roughly 8 in 10 adults in low and middle income economies have their own mobile phone.



A digital divide persists, with men's phone ownership outpacing women by **7 PERCENTAGE POINTS.**

A wide range of financial as well as social reasons contribute to understanding this gap. For example, research has revealed a widespread perception in some emerging economies that mobile phones “distract” women from household duties and make them less likely to remain chaste before marriage.

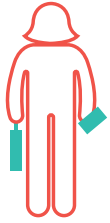
With improved access to mobile phones, women would be better positioned to receive remittances, an important revenue source in low and middle income economies and a disproportionate share of women's income. World Bank data show that mobile-based services offer the cheapest remittance prices, while banks are the most expensive.



But women are unlikely to use their mobile phones for digital financial transactions unless they have reliable and affordable access to data and connectivity. There is wide variation in the cost of mobile data within Sub-Saharan Africa, which is home to four of the five most expensive countries for mobile data. A significant factor behind the high cost of data in SSA is its lack of infrastructure: with overburdened networks, the data bundles offered in the region are generally smaller. Another cost factor is a lack of market competition. In countries with multiple competing networks, such as Nigeria, costs are lower.

**Governments can take action to end the mobile phone gender gap** by building the infrastructure needed to support mobile connectivity, facilitate competition and consumer choice and by leveraging relevant Universal Service Funds to increase women's access to broadband internet. **Mobile network operators (MNOs) can also increase handset availability in non-urban markets**, increase asset financing (installment payment) options for handsets, and facilitate the creation of “bundled” handset/data/talk/text options.





## 06 HIRE WOMEN AT BANKS AND MOBILE NETWORK OPERATORS

Evidence suggests that women use financial services more often when they are served by female bank employees and mobile money agents. However, there are too few women employees at these businesses.



For example, a recent study found that, in India, women make up only 22 percent of bank employees and 12 percent of microfinance institution employees.

**Financial service providers can make a big difference by hiring more women** to work at banks and mobile money agent outlets, which can encourage women to become clients and join the formal economy.



A few banks in Asia and Africa have “women only branches” where all women staff provide a safe and harassment-free environment to women customers for financial transactions.

Research finds a positive relationship between a higher percentage of women employees and a firm’s innovation level, which is critical to the design and development of new products or marketing of existing products for women. More women are also needed at the management, executive and Board levels in banks and mobile network operators. Regulators would similarly benefit from more women in decision-making positions.

*“For a woman, being able to ride a motorcycle to my garden and to Village Savings and Loans Association meetings is a mystery to some of my peers. People ask me how I managed to achieve all this. I encourage women to believe in themselves because they are the steering wheel of their families.”*

*Berna Mirembe, Digital Community Entrepreneur with UNCDF partner MobiPay*

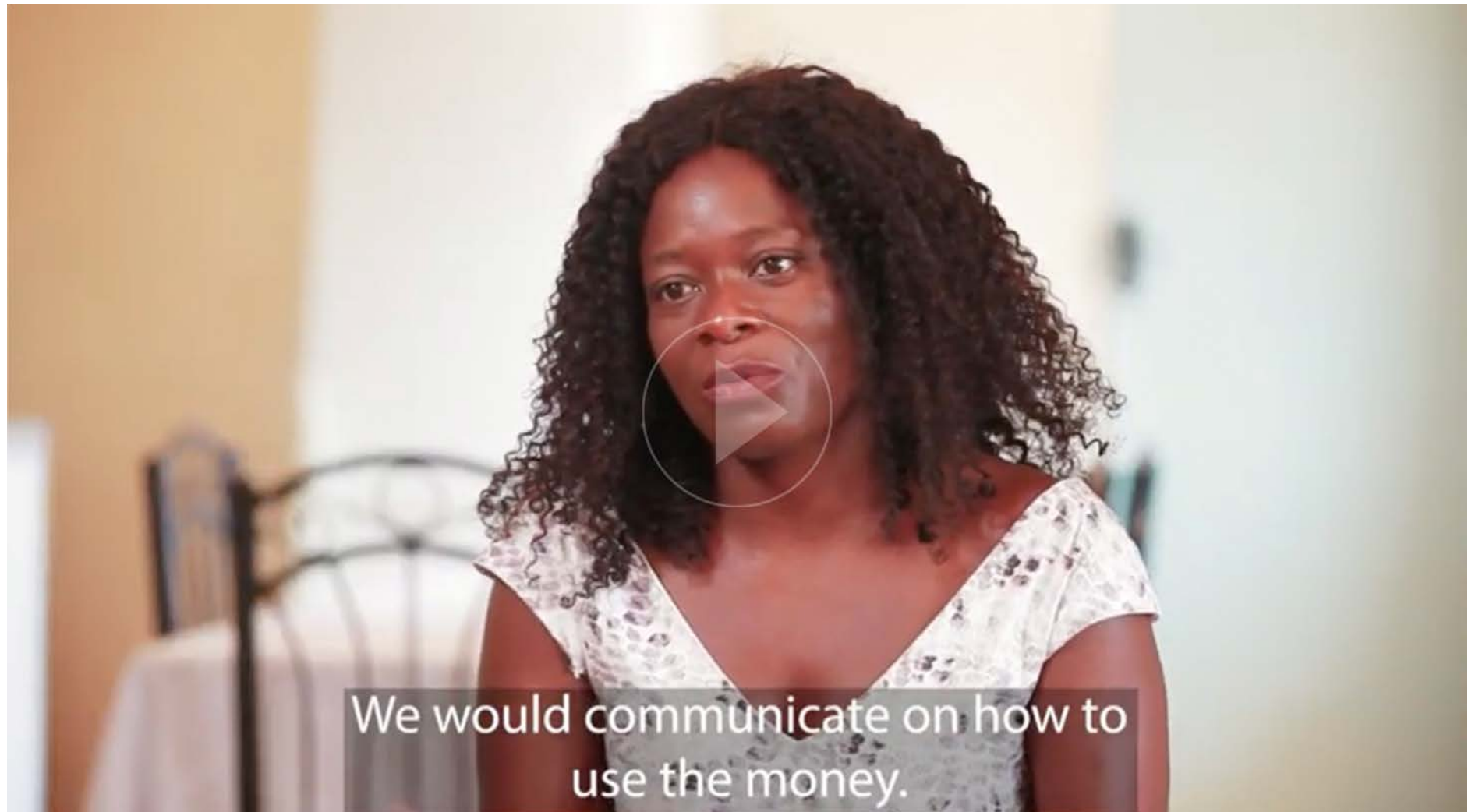
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## THE STORIES BEHIND DIGITAL FINANCIAL INCLUSION

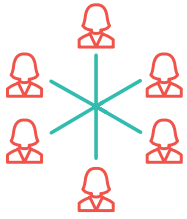
Elese, a mobile money entrepreneur in Zambia



PLEASE CLICK HERE TO WATCH THE VIDEO







## 07 COLLECT, ANALYZE AND USE SEX-DISAGGREGATED DATA ON ALL TYPES OF FINANCIAL SERVICES, TOGETHER WITH DATA ON ACCESS TO IDENTITY, CONNECTIVITY AND DEVICES

If financial institutions and telecoms provided more sex-disaggregated data on their customers and operations, policymakers would be better able to identify the impediments to women's financial inclusion and better able to address those barriers. For example, data on the number of women customers, the number of women agents in their network, together with phone/internet coverage. An additional advantage would be that financial service providers could better track the direct benefits of employing more women, such as higher profits and transaction volumes.

**Governments should incentivize financial institutions and telecoms to provide anonymized sex-disaggregated data** as part of fiduciary reporting requirements and make these data available to policymakers, practitioners and researchers. In addition, governments should incentivize financial providers to use these data to increase the number of female customers. **In Chile, the regulator has been collecting and publishing sex-disaggregated supply side data reports annually for the last 14 years.**







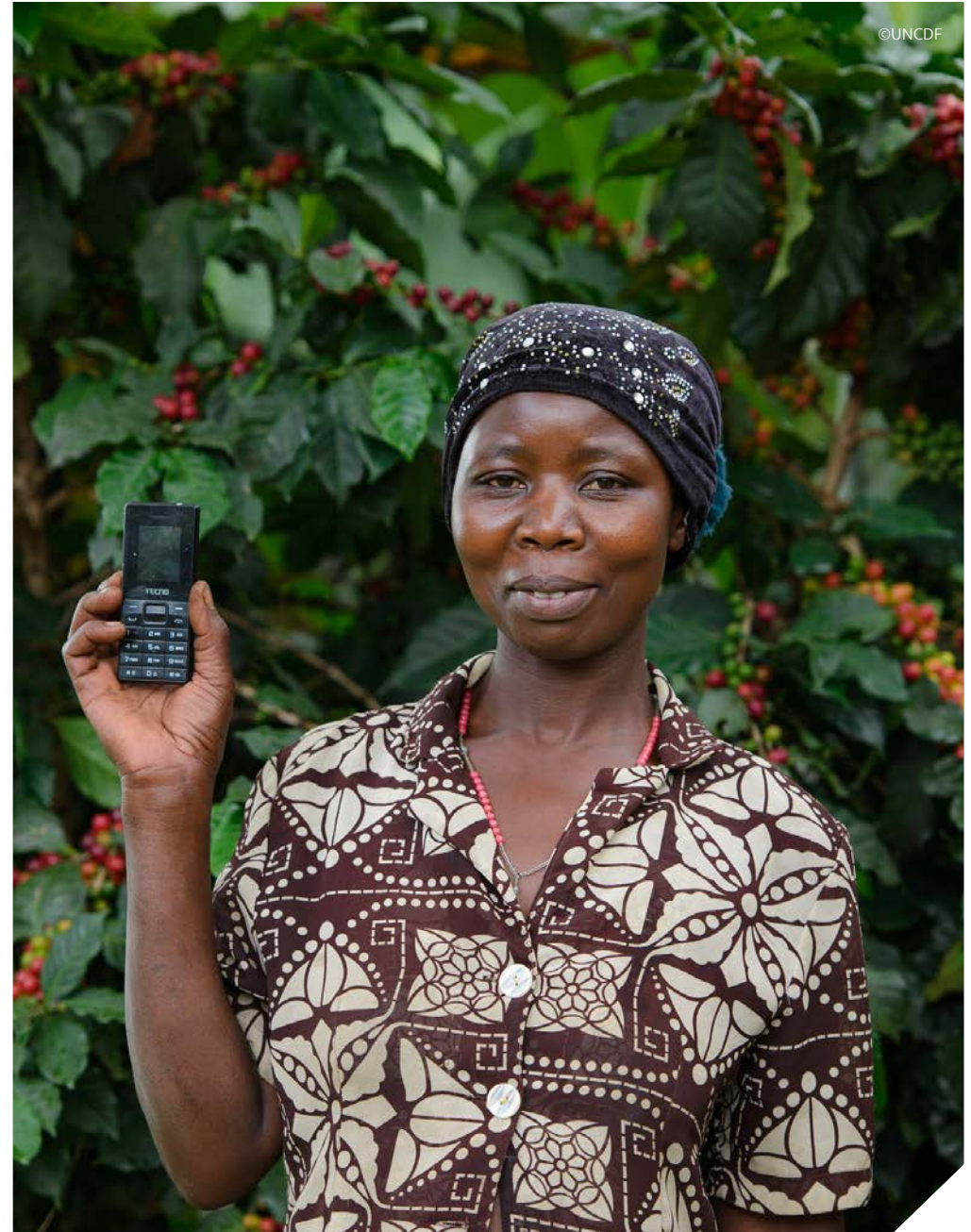
## 08 DESIGN APPROPRIATE AND AFFORDABLE FINANCIAL PRODUCTS FOR WOMEN

Financial service providers can take action to address financial inequality and increase their customer base by designing appropriate and affordable financial products specifically for women.

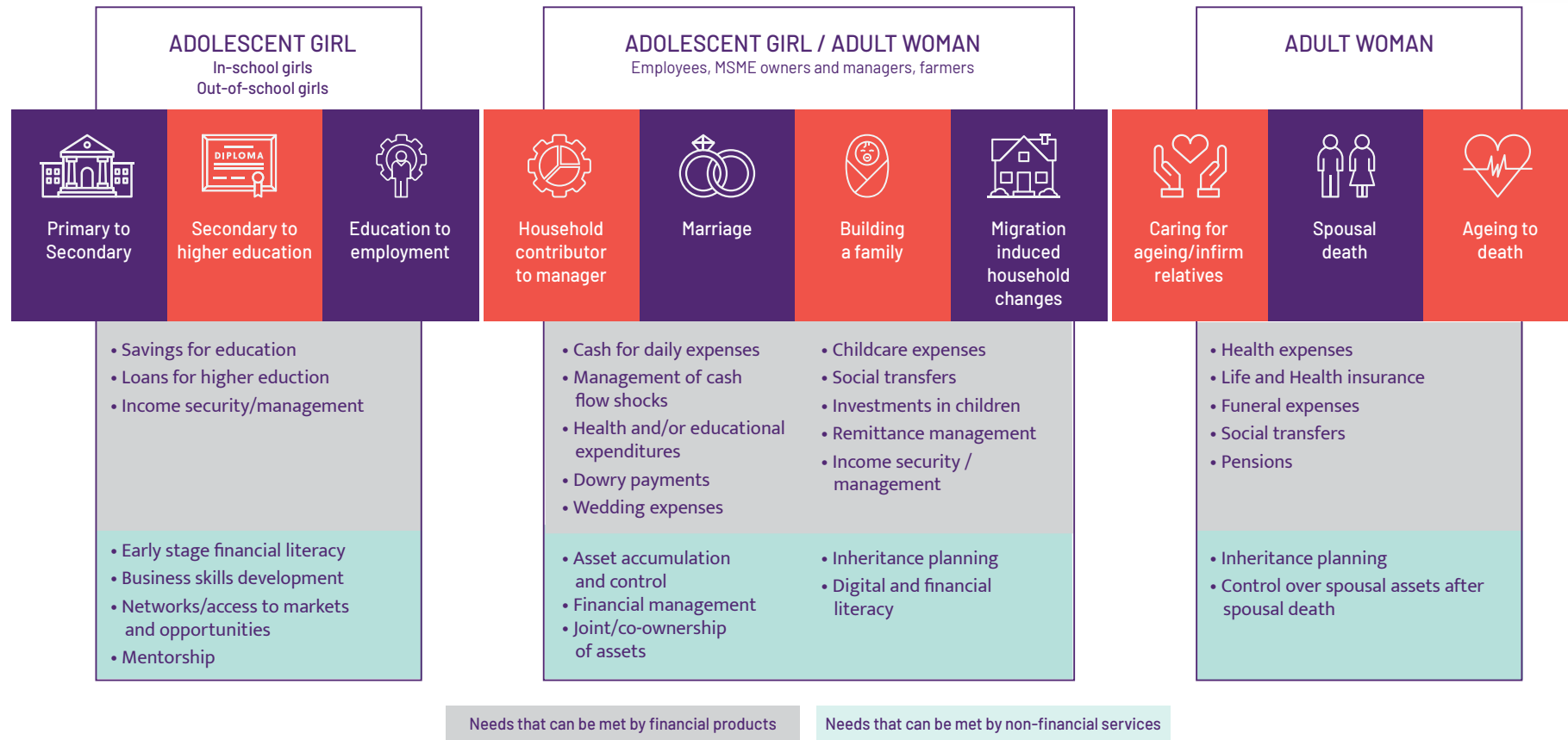


Women are typically responsible for managing daily household expenses and, because they tend to have lower and more irregular income, are more price-sensitive than men.

Compared with men, women earn a higher share of their income from remittances and transfers. Women are also typically responsible for caring for older relatives, raising children, looking after family farms, organizing side businesses to raise extra money and financing family events such as funerals and weddings. Each of these realities poses financial challenges and opportunities. Women have different financial and non-financial needs depending on where they are in their lifecycle, as UNCDF's Participation of Women in the Economy Realized toolkit summarizes on the following page.



# WOMEN'S AND GIRLS' CHANGING FINANCIAL NEEDS



Source: Participation of Women in the Economy Realized

Products that work for those on low, irregular incomes with high-frequency, low-denomination transactions are especially relevant to women. **Built-in savings mechanisms and financial education resources create long-term benefits for women.** For example, in Zambia researchers found high demand for savings products designed for pregnant women.

Women can also be served by existing products if they are marketed properly to show they address women's needs. Given the high prevalence of dormant accounts in many countries, digital finance products appropriate for women customers are likely to provide a "double bottom line" win for the private sector: an increased number of customers and customer retention, as well as improved formal economic participation for women.





## 09 HELP WOMEN BENEFIT FROM E-COMMERCE OPPORTUNITIES

As COVID-19 closes schools and forces people to stay home, women are more likely to have increased childcare responsibilities. The flexible nature of e-commerce can help women access economic opportunities on their own terms. As the effects of the pandemic can increase care giving responsibilities for many women, this flexibility is particularly important. E-commerce platforms that work for women entrepreneurs are a key first step, as women are usually far outnumbered by men on e-commerce platforms.

**Setting up virtual or in-person incubators and providing business mentorship can also play a vital role in encouraging women entrepreneurs to strengthen their e-commerce business models, digital payments capability and digital marketing skills.** Governments, companies and civil society can all make important contributions to enable women to access and use these opportunities.

Three examples illustrate the importance of e-commerce for women. **In Indonesia, research by Women's World Banking showed that linking value chain digitization and internet entrepreneurship for women helped those women get better credit access, improve record keeping, save time and build savings.** In Uganda, food delivery start-up **Jumia Food, Uganda**, partnered with UNDP, and connected 3,000 market vendors to its platform to sell their produce—60 percent of whom are women, people with disabilities and youth. UNCTAD is also successfully delivering courses specifically for women digital entrepreneurs to help them harness the digital transformations of their economies and societies.



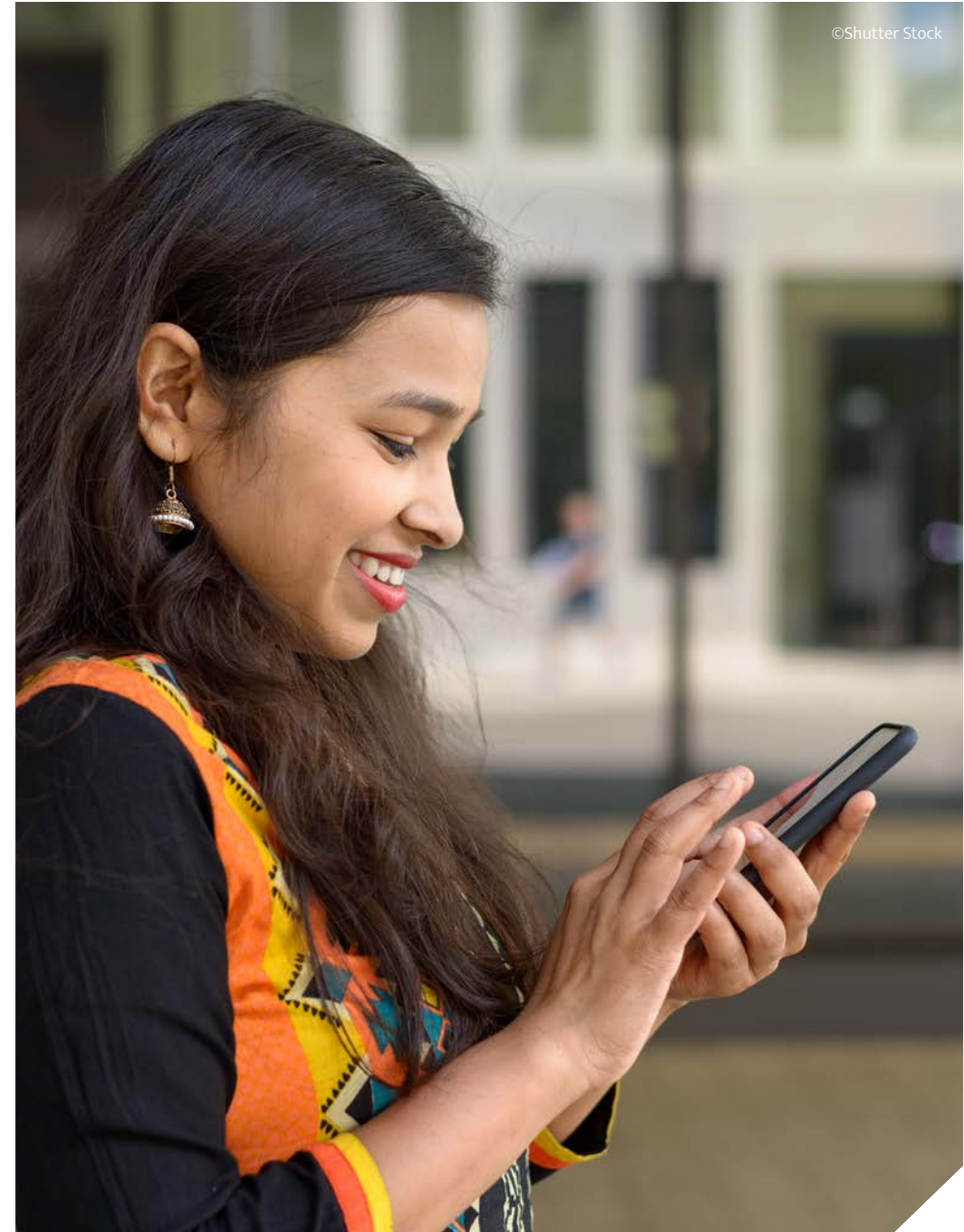
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## 10 CREATE AND ENFORCE STRONG CONSUMER PROTECTION, INCLUDING UNIVERSAL DISPUTE MECHANISMS

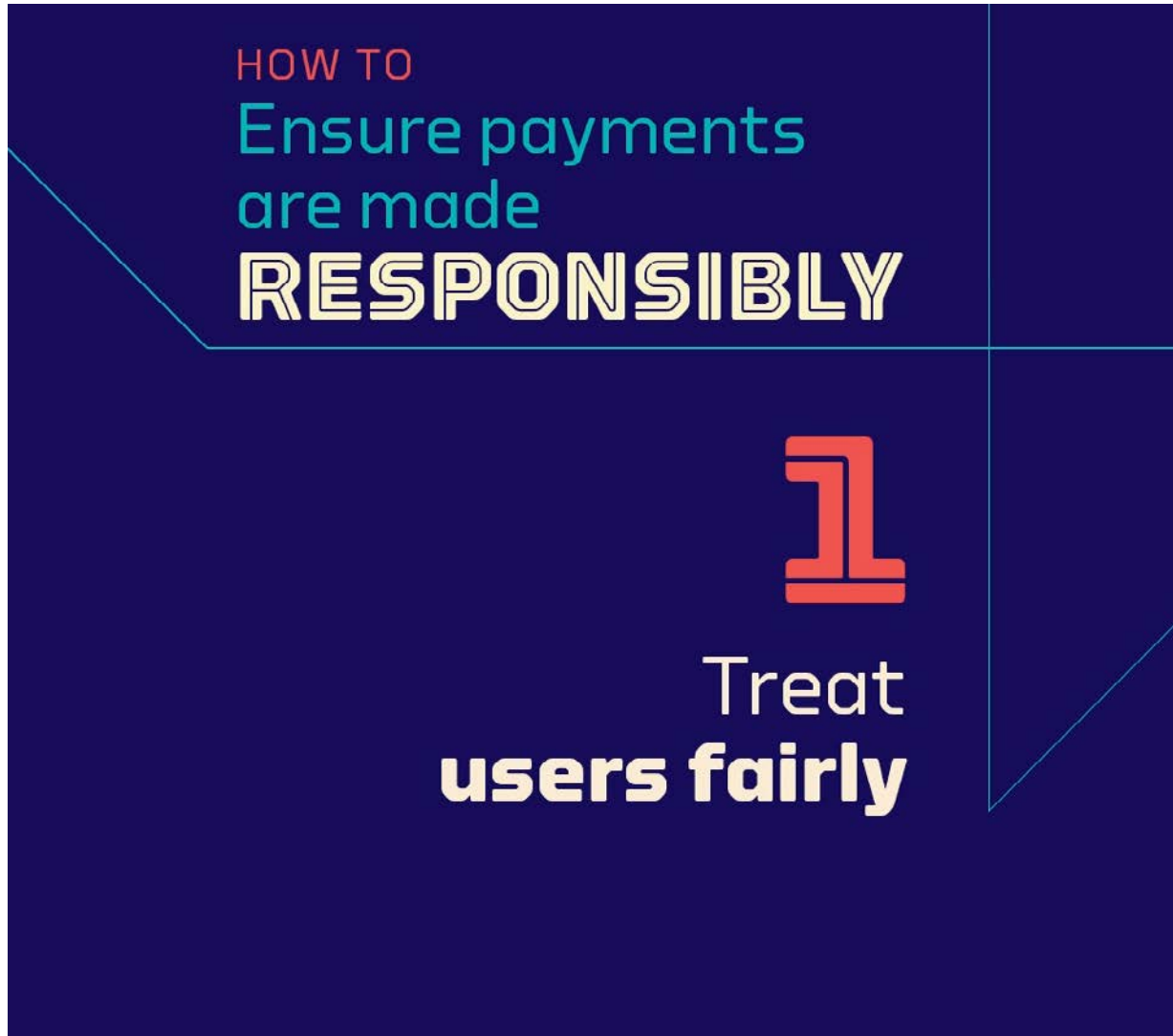
Less than 45 percent of adults in Europe & Central Asia, Latin America, and the Middle East & North Africa report confidence in financial institutions, compared to 70 percent of adults globally. Banks and other financial service providers can build trust with consumers by offering greater transparency around their products.

**The Better Than Cash Alliance's [Responsible Digital Payment Guidelines](#) offer specific guidance on how to build trust, which will be more relevant than ever post-COVID-19.** Specifically, they recommend governmental action requiring that financial service providers clearly disclose prices and terms of their products and enact appropriate measures while ensuring data privacy and security (Guidelines 2,3,7). Consumers should be able to identify whether a given service is fit for its intended use, appropriate for their particular needs and fairly priced (Guidelines 1,4,6). Pilots in [Mexico](#) and [Peru](#) suggest that responsible practices can be as simple as requiring providers to clearly state key facts about their credit and savings products. It is also important for financial service providers to create universal grievance redressal (or recourse) mechanisms that are well communicated to staff and customers (Guideline 8). If well-established dispute and grievance redressal mechanisms are a norm in the market, it is more likely that women will trust and use digital financial services.



## HOW TO ENSURE PAYMENTS ARE MADE RESPONSIBLY

 [PLEASE CLICK HERE TO WATCH THE VIDEO](#)









## IN SHORT...

The UN estimates that nearly 250 million women and girls will be living below the poverty line in 2021. The COVID-19 pandemic is reversing decades of progress in poverty reduction and women's economic empowerment. A recent Facebook survey found that women entrepreneurs were nearly 6 percentage points more likely than men to shutter their businesses. With schools closed and elderly people facing elevated risks to health, women are doing even more unpaid care work for relatives than usual.

It is time to focus on solutions that match the size and scope of the problem. Digital financial services to women are such a solution.

**Digital private and public sector payments, designed to meet women's needs and incentivized through policies that make them safe and affordable, can lead to increased GDP growth, increased customer growth and retention, higher labor force participation, improved household bargaining power and freer gender norms.**

Leveraging digital finance to build a resilient recovery, while eradicating financial inequality, will require a unified effort from the world's governments, businesses and the financial services industry. As governments and companies take steps to repair economies, the 10 actions described here will ensure stronger, more resilient economies that build on the strengths of women and girls.



## LIST OF PROPOSED INDICATORS TO TRACK PROGRESS TOWARDS REACHING FINANCIAL EQUALITY

ACTION	PROPOSED INDICATORS	TO BE MEASURED BY
Action 1: Digitize private sector payments	<ul style="list-style-type: none"> <li>• Receive wages into an account - women, % age 15+</li> <li>• Receive wages into an account - men, % age 15+</li> </ul>	<ul style="list-style-type: none"> <li>• <a href="#">World Bank Global Findex</a></li> </ul>
Action 2: Digitize payments of government social benefits	<ul style="list-style-type: none"> <li>• Receive government transfers into an account - women, % age 15+</li> <li>• Receive government transfers into an account - men, % age 15+</li> </ul>	<ul style="list-style-type: none"> <li>• <a href="#">World Bank Global Findex</a></li> </ul>
Action 3: Outlaw discrimination against women	<ul style="list-style-type: none"> <li>• Women, Business and the Law: WBL Indicators</li> <li>• Women, Business and the Law: Entrepreneurship Indicators</li> <li>• Women, Business and the Law: Assets Indicators</li> </ul>	<ul style="list-style-type: none"> <li>• <a href="#">World Bank Women, Business and the Law</a></li> </ul>
Action 4: Ensure universal access to identification	<ul style="list-style-type: none"> <li>• Has a national identity card - women, % age 15+</li> <li>• Has a national identity card - men, % age 15+</li> </ul>	<ul style="list-style-type: none"> <li>• <a href="#">World Bank Global Findex (ID4D series)</a></li> </ul>
Action 5: End the gender gap in mobile phone ownership	<ul style="list-style-type: none"> <li>• Has a mobile phone - women, % age 15+</li> <li>• Has a mobile phone - men, % age 15+</li> <li>• Access to the internet - women, % age 15+</li> <li>• Access to the internet - men, % age 15+</li> </ul>	<ul style="list-style-type: none"> <li>• <a href="#">Gallup World Poll</a></li> <li>• <a href="#">Gallup World Poll</a></li> </ul>
Action 6: Hire women at banks and mobile network operators	<ul style="list-style-type: none"> <li>• Women on bank boards (%)</li> </ul>	<ul style="list-style-type: none"> <li>• <a href="#">Boardex</a></li> </ul>

## LIST OF PROPOSED INDICATORS TO TRACK PROGRESS TOWARDS REACHING FINANCIAL EQUALITY

ACTION	PROPOSED INDICATORS	TO BE MEASURED BY
<p>Action 7: Collect, analyze and use sex-disaggregated data on all types of financial services, together with data on access to identity, connectivity and devices</p>	<ul style="list-style-type: none"> <li>• Women-owned deposit accounts - per 1,000 female adults</li> <li>• Men-owned deposit accounts - per 1,000 male adults</li> </ul>	<ul style="list-style-type: none"> <li>• <a href="#">International Monetary Fund Financial Access Survey</a></li> </ul>
<p>Action 8: Design appropriate and affordable financial products for women</p>	<ul style="list-style-type: none"> <li>• Use of a debit or a credit card to make a purchase - women, % age 15</li> <li>• Use of a debit or a credit card to make a purchase - men, % age 15+</li> <li>• Use of mobile or the internet to make bill payments or buy something online - women, % age 15+</li> <li>• Use of mobile or the internet to make bill payments or buy something online - men, % age 15+</li> <li>• SMEs with at least one female owner with an account at a formal financial institution (%)</li> <li>• SMEs with at least one female owner with an outstanding loan or line of credit (%)</li> <li>• SMEs with at least one female owner with a proportion of loans requiring collateral (%)</li> </ul>	<ul style="list-style-type: none"> <li>• <a href="#">World Bank Global Findex</a></li> <li>• <a href="#">World Bank Global Findex</a></li> <li>• <a href="#">World Bank Enterprise Surveys</a></li> <li>• <a href="#">World Bank Enterprise Surveys</a></li> <li>• <a href="#">World Bank Enterprise Surveys</a></li> </ul>
<p>Action 9: Help women benefit from e-commerce opportunities</p>	<ul style="list-style-type: none"> <li>• SMEs with at least one female owner selling one or more products on local, regional or global e-commerce platforms (%)</li> </ul>	<ul style="list-style-type: none"> <li>• <a href="#">WB Enterprise Surveys (limited data availability)</a></li> </ul>
<p>Action: 10 Create and enforce strong consumer protection, including universal dispute mechanisms</p>	<ul style="list-style-type: none"> <li>• Number of countries with consumer protection laws</li> <li>• Number of countries supporting grievance redressal systems</li> </ul>	<ul style="list-style-type: none"> <li>• <a href="#">World Bank Global Payments System Survey</a></li> </ul>



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