Governments and businesses can rebuild stronger after COVID-19 by prioritizing women’s digital financial inclusion.

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

21 September 2023 version
10 ACTIONS TO REACH FINANCIAL EQUALITY FOR WOMEN

01. Digitize private sector payments
02. Digitize payments of government social benefits
03. Outlaw discrimination against women
04. Ensure universal access to identification
05. End the gender gap in mobile phone ownership

06. Hire women at banks and mobile network operators
07. Collect, analyze and use sex-disaggregated data
08. Design appropriate and affordable financial products for women
09. Help women benefit from e-commerce opportunities
10. Create and enforce strong digital finance consumer protection mechanisms
INTRODUCTION
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During the past decade, women’s economic and financial inclusion has become an increasing priority for governments and companies around the world. This is because of evidence documenting benefits that include job creation; greater business resilience; customer retention and expansion; increased agricultural output; poverty reduction; as well as women’s economic empowerment. The results have reinforced the importance of removing structural barriers to women’s active participation in the formal economy and achieving equality in access to responsible and sustainable financial services, provided in a well-regulated environment.

Despite this evidence, the unfortunate truth about the challenges of providing digital financial services to women was revealed in a 2020 G20 report. It is a sad fact that in many countries, women’s financial and economic rights are still not protected under the law. In 2022, the World Bank found only 14 countries (out of 190) have gender equality under the law for vital financial and economic indicators. Too many women lack access to formal identification, and thus are unable to open a bank account, own property, or develop a credit history, which are essential to save, build assets, secure a loan, or 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.

UN Women estimates that there were at least 383 million women and girls living in extreme poverty in 2022. At least 16 million more women and girls than men and boys were in extreme poverty in 2022. This means 26 million more women were living in extreme poverty in 2022 than in 2019. Furthermore, the negative economic and social consequences of climate shocks in all their forms disproportionately affect women. The UN estimates that four times as many women than men are displaced by climate change.
The response to financial inequality has been well-intentioned but fragmented. 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 reach financial equality for women

aims to help end the continued economic exclusion of half the world’s population and to build more resilient national economies. All 10 actions are equally important: they are not sequential steps but mutually reinforcing actions for all stakeholders committed to reaching financial equality. This 10 point action plan builds on the G20 Global Partnership for Financial Inclusion 2020 policy recommendations and was first launched in the build-up to the 2021 Generation Equality Forum.
10 ACTIONS
DIGITIZE PRIVATE SECTOR PAYMENTS

Businesses of all sizes, in every country, can help women get bank accounts, mobile money accounts, or payment accounts by paying their employees, suppliers, and distributors digitally, rather than in cash. According to the Global Findex, around 1.5 billion adults in low- and middle-income countries opened their first account to receive digital private sector wage payments, including approximately 650 million women.

Governments also have an important role to play in making sure the policy framework encourages businesses to digitize payments. For example, Brazil’s policy framework encourages private sector payment digitization, particularly through PIX.

The garment industry—which tends to have a significant population of female workers—is a good example of the impact the private sector can have on women and the economy. Digitizing wages in female-dominated industries, such as the garment industry, can help shrink the gender gap in account ownership. For example, garment firms in Jordan, which have approximately 70 percent women workers, are requiring employees to open and use digital financial accounts. Research in Bangladesh suggests that digital wage payments help factory workers boost their savings and become more financially savvy, and improve their ability to manage financial emergencies.

Training women workers in budgeting, saving, 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 in employee turnover of up to 20 percent.

The onset of COVID-19 brought 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. For example, in Bangladesh, a government mandate for all salaries to be paid digitally to receive a relief fund resulted in the opening of 2.5 million new 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.”

Taslima Sultana Khanam, Chair, Brahminbaria Sadar Women Development Forum, Bangladesh
While the COVID-19 pandemic threatened hard-won gains in global development and gender equality, it facilitated greater financial inclusion for both men and women. In response to the pandemic, World Bank data (2022) indicate that 223 countries and territories planned or implemented 3,856 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 recipients strengthen their household decision-making power and bolster their labor force participation. According to the Global Findex, 423 million women opened their first account to receive money from the government.

While many COVID-19 digital payment schemes were successful, it is still important for governments to manage potential risks when digitizing payments, particularly the risk of excluding women. Instead, women’s agency needs to be established at every step, including choice of payment service providers and appropriate digital and financial capabilities. Experience shows it is essential to apply a gender lens to the whole design and implementation of government payment digitization, including emergency and social protection schemes.

Ensuring cash-based transfers are delivered digitally to women in emergency response contexts can also accelerate financial inclusion. In June 2023, the World Food Programme approved a new cash policy committing to the digital disbursement of funds through mobile wallets or banks accounts directly to women, which aims to build resilience in the face of health, economic, or climate-related shocks.

Evidence suggests that digital 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, has the potential to 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 capability content, and positive outcomes in financial health were still observable two years later.

Digital government payments may be more efficient and better able to help recipients than other forms of assistance. A 2023 study in Indonesia found that households receiving electronic vouchers as opposed to in-kind food received significantly more assistance, and among those in the poorest 15 percent, saw a 20 percent reduction in poverty.

Yet more opportunities remain, as 45 MILLION UNBANKED WOMEN receive government payments in cash.

For the humanitarian sector, the provision of assistance to individuals, households, and communities can take the form of physical currency or digital money in a range of forms (these two are typically referred to as “cash”), vouchers, or in-kind assistance.

02 DIGITIZE PAYMENTS OF GOVERNMENT SOCIAL BENEFITS
WHAT POWERS HER LOOM?
A story of women’s digital financial inclusion from Manipur, India

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Research shows that women’s financial inclusion tends to be higher in economies where there is legal equality between women and men in finance and economics – such as equal treatment by financial service providers or requiring equal pay for equal work. According to the World Bank’s Women, Business, and the Law database:

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 main challenge 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.” Removing legal discrimination is, therefore, an 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 organizations and feminist movements have played a critical role in reducing gender inequality in many sectors. Policymakers 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. In Ethiopia, through the Women’s Digital Financial Inclusion Advocacy Hub (WDFI), women’s voices are included in the implementation of the National Financial Inclusion Strategy (NFIS) and National Digital Payment Strategy (NDPS).
Ensuring universal access to identification is critical for accessing digital financial services.

Among unbanked individuals in sub-Saharan Africa, overall ID ownership stands at just over 35 percent for both women and men. Women in sub-Saharan Africa are 5 percentage points 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, developing trusted digital interfaces, 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.

Digital ID is one key element of “digital public infrastructure” (DPI) being advocated by the G20 Indian Presidency, to drive inclusive growth. The key elements of DPI are digital ID, digital payments and consent-based data exchange. The Indian government’s national digital ID, Adhaar, issued for 1.3 billion people, together with its interoperable digital payments and the new Data Exchange law, is one of the world’s leading examples of how DPI can be successfully rolled out.

Having a national identification document is typically a requirement for obtaining financial and mobile phone services.
Mobile phones are a game-changer in expanding access to financial services—from paying, to getting paid, to sending money. With improved access to mobile phones, women would be better positioned to receive wage and transfer payments, and 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 both data and connectivity, and digital financial capability. There is wide variation in the cost of mobile data within sub-Saharan Africa, which is home to 6 of the 10 most expensive countries for mobile data. A lack of infrastructure in the region is a significant driver of these high costs, as overburdened networks result in smaller and costlier data bundles. Market competition or the lack thereof also contributes to these costs, as countries such as Nigeria, with multiple competing networks, experience lower costs. Digital financial capability interventions, advancing the knowledge, skills, and attitudes needed to confidently conduct digital financial transactions over mobile-based internet, are most effective when delivered at the time of transaction. Governments can take action to end the mobile phone gender gap by building the infrastructure needed to support universal mobile connectivity and 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.

Approximately 8 IN 10 WOMEN in low- and middle-income economies have their own mobile phone, as of 2023. However, a digital divide persists, with men’s phone ownership outpacing women by 7 percentage points, and women are 19 PERCENT LESS LIKELY THAN MEN to use mobile internet.

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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. 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.

For example, in India, women make up only 22 percent of bank employees and 12 percent of microfinance institution employees.

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.

The UN Women’s Empowerment Principles (WEPs) provide a comprehensive framework for the finance and tech sectors to advance gender equality and women’s empowerment in the workplace, marketplace, and community. With nearly 8,500 WEPs signatories across 150 countries, of which 22 percent are in the finance and tech industries, these companies are important allies in hiring more women in their workplaces.

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. IMF research found that a greater share of women on the boards of banks is associated with greater financial resilience, while a higher share of women on boards of supervisory agencies is associated with greater banking sector stability. 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
THE STORIES BEHIND DIGITAL FINANCIAL INCLUSION

Elase, a mobile money entrepreneur in Zambia

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We would communicate on how to use the money.
If financial institutions and telecoms first collected sex-disaggregated data and then provided 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, and phone/internet coverage. The Gender Data Playbook and Sex Disaggregated Data Guide show how this can be done.

An additional advantage would be that financial service providers could better track the direct benefits of employing more women, such as loan performance and transaction volumes.

Governments should incentivize financial institutions and telecoms companies 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 21 years. Using insights from these data, the Chilean state-owned commercial bank, BancoEstado, created a program providing women entrepreneurs with access to business capital, education, and networking opportunities.
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. They tend to have lower and more irregular income, and are typically 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. Furthermore, over the past decade, 80 percent of the 250 million people forcibly displaced by natural disasters in emerging economies were women. Yet they have less access to technology and productive resources and less capacity to adapt their livelihoods.

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 ongoing financial capability 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 financial 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.
The flexible nature of e-commerce can help women access economic opportunities on their own terms and participate in the growing digital economy. Given the disproportionate household and childcare responsibilities shouldered by 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 transformation of their economies and societies.
Fewer than 6 in 10 adults in low- and middle-income countries report confidence in financial institutions, compared to approximately 7 in 10 adults globally. Governments and regulators need to focus on protecting consumers, particularly women, as recommended by the G20 High Level Principles for Digital Financial Inclusion. Banks and other financial service providers need to focus on building trust with consumers, including 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, 4). 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, 5, 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. In the Philippines, the Central Bank (Bangko Sentral ng Filipinas) BOB is a chat bot that handles questions and concerns by consumers via SMS, Facebook Messenger, and web chat. Automation enables real-time follow-up with financial institutions and shortens the turnaround time for complaints resolution and user-experience improvements.

Additionally, helping financial service providers to detect and address potential gender-based bias in lending practices can help ensure fairness and inclusion.
HOW TO ENSURE PAYMENTS ARE MADE RESPONSIBLY

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HOW TO
Ensure payments are made RESPONSIBLY

1
Treat users fairly
CONCLUSION
IN SHORT…

The COVID-19 pandemic has caused the largest reverse in poverty since the Second World War. The UN estimates that at least 388 million women and girls were living in extreme poverty in 2022. Climate shocks are increasing in frequency, with disproportionate impacts on women. Responsible digital finance offers an important avenue to eradicate financial inequality. Unified and urgent action is needed from the public and private sectors alike:

**Governments** can prioritize gender-intentional financial sector policymaking, including by digitizing payments of government social benefits directly into the accounts of women. It is also necessary to invest in digital public infrastructure to support women’s digital financial inclusion. This includes regulation supporting DFS, and promoting digital identification and interoperable payment infrastructure. Reliable and affordable access to data and connectivity will help end gaps in smartphone ownership which prevent women from accessing financial services and digital economic opportunities.

**Financial-sector regulators** can prioritize the collection and usage of gender-disaggregated data to inform gender-intentional policymaking by financial service providers. They can also issue regulatory guidance to encourage financial service providers to design and scale appropriate and affordable financial products for women. Creating and enforcing strong consumer protection regimes, including universal dispute mechanisms, will also contribute to greater financial equality.

**Companies** can lead by digitizing salaries and private sector payments, which is proven to make concrete progress in getting women financially included. Financial service providers must invest in gender-transformative business models, both by hiring female staff and bank agents, and by designing responsible financial products for women and women-owned businesses.

**Donors and technical partners** have a responsibility to build gender-intentionality into program design, as well as develop innovative financial mechanisms, which works to de-risk capital and get financial products into the hands of women and women-led businesses.

**Civil society organizations** play an important role in raising awareness of the barriers to women’s digital financial inclusion and advocating for action. They can ensure the voices and experiences of diverse groups of women are represented and integrated in the design of policies, financial services, and initiatives.
# Proposed Indicators to Track Progress Towards Reaching Financial Equality

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<th>ACTION</th>
<th>PROPOSED INDICATORS</th>
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| **Action 1:** Digitize private sector payments | • Receive wages into an account - women, % age 15+  
• Receive wages into an account - men, % age 15+ | • World Bank Global Findex |
| **Action 2:** Digitize payments of government social benefits | • Receive government transfers into an account - women, % age 15+  
• Receive government transfers into an account - men, % age 15+ | • World Bank Global Findex |
| **Action 3:** Outlaw discrimination against women | • Women, Business and the Law: WBL Indicators  
• Women, Business and the Law: Entrepreneurship Indicators  
• Women, Business and the Law: Assets Indicators | • World Bank Women, Business and the Law |
| **Action 4:** Ensure universal access to identification | • Has a national identity card - women, % age 15+  
• Has a national identity card - men, % age 15+ | • World Bank Global Findex (ID4D series) |
| **Action 5:** End the gender gap in mobile phone ownership | • Has a mobile phone - women, % age 15+  
• Has a mobile phone - men, % age 15+  
• Access to the internet - women, % age 15+  
• Access to the internet - men, % age 15+ | • Gallup World Poll  
• Gallup World Poll |
| **Action 6:** Hire women at banks and mobile network operators | • Women on bank boards (%) | • Boardex |
### PROPOSED INDICATORS TO TRACK PROGRESS TOWARDS REACHING FINANCIAL EQUALITY

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<td><strong>Action 7:</strong>&lt;br&gt;Collect, analyze and use sex-disaggregated data on all types of financial services, together with data on access to identity, connectivity, and devices</td>
<td>• Women-owned deposit accounts - per 1,000 female adults&lt;br&gt;• Men-owned deposit accounts - per 1,000 male adults</td>
<td>• International Monetary Fund Financial Access Survey</td>
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<td><strong>Action 8:</strong>&lt;br&gt;Design appropriate and affordable financial products for women</td>
<td>• Use of a debit or a credit card to make a purchase - women, % age 15&lt;br&gt;• Use of a debit or a credit card to make a purchase - men, % age 15+&lt;br&gt;• Use of mobile phone or the internet to make bill payments or buy something online - women, % age 15+&lt;br&gt;• Use of mobile phone or the internet to make bill payments or buy something online - men, % age 15+&lt;br&gt;• Small and medium-sized enterprises (SMEs) with at least one female owner with an account at a formal financial institution (%)&lt;br&gt;• SMEs with at least one female owner with an outstanding loan or line of credit (%)&lt;br&gt;• SMEs with at least one female owner with a proportion of loans requiring collateral (%)</td>
<td>• World Bank Global Findex&lt;br&gt;• World Bank Global Findex&lt;br&gt;• World Bank Enterprise Surveys&lt;br&gt;• World Bank Enterprise Surveys&lt;br&gt;• World Bank Enterprise Surveys</td>
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<td><strong>Action 9:</strong>&lt;br&gt;Help women benefit from e-commerce opportunities</td>
<td>• SMEs with at least one female owner selling one or more products on local, regional or global e-commerce platforms (%)</td>
<td>• World Bank Enterprise Surveys (limited data availability)</td>
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<tr>
<td><strong>Action 10:</strong>&lt;br&gt;Create and enforce strong consumer protection, including universal dispute mechanisms</td>
<td>• Number of countries with consumer protection laws&lt;br&gt;• Number of countries supporting grievance redressal systems</td>
<td>• World Bank Global Payments System Survey</td>
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