Gender Equality and Financial Services for the Poor

Women’s Economic Empowerment Update
### AREAS I WILL COVER TODAY

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>•</td>
<td><strong>The Gates Foundation’s new Gender Equality Strategy</strong>: what does it consist of and how did we develop it?</td>
</tr>
<tr>
<td>•</td>
<td><strong>The Women’s Economic Empowerment components</strong> of the GE Strategy</td>
</tr>
<tr>
<td>•</td>
<td><strong>Women’s Economic Empowerment and Financial Inclusion</strong>: our hypotheses for reducing the gender gap in DFS usage</td>
</tr>
<tr>
<td>•</td>
<td>Q&amp;A</td>
</tr>
</tbody>
</table>
When we address gender inequality and remove the underlying barriers for women and girls, we unlock the potential for all people—men, women, boys, and girls—to be equally valued and to lead healthy and productive lives.
Gender Equality Team Purpose

Accelerate progress toward the foundation’s goals by working together with program teams to **advance gender equality and empower women and girls.**

- **Amplify the impact**
- **Build the gender equality field**
- **Drive innovation and learning**
## GENDER EQUALITY TEAM

### THE WAY THE GE TEAM WORKS TOWARD THAT PURPOSE

<table>
<thead>
<tr>
<th>Amplify the impact</th>
<th>Build the gender equality field</th>
<th>Drive innovation and learning</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Helping teams apply a systemic gender lens to their work</td>
<td>• Strengthening data &amp; evidence on what works for gender equality and women’s empowerment</td>
<td>• Pushing new thinking</td>
</tr>
<tr>
<td>• Targeting specific gender gaps through catalytic investment</td>
<td>• Driving accountability and impact through institutions, governments, and movements</td>
<td>• Testing and scaling new approaches</td>
</tr>
<tr>
<td></td>
<td>• Offering the foundation’s voice and technical expertise as a global resource to advance the field</td>
<td></td>
</tr>
</tbody>
</table>
OUR GENDER EQUALITY WORK AT A GLANCE

Advance gender equality and empower women and girls

Amplify the impact

**Women's Economic Empowerment Strategy**
Digital Financial Inclusion
Market Inclusion
Land Tenure Security
Self-Help Groups

**Gender Mainstreaming**
Water Sanitation team
Financial Services for the Poor
Agricultural Development team
Family Planning team

Build the gender equality field

Data and Evidence
Communications
Movements and Campaigns
SDG Accountability
Donor Engagement

Drive innovation and learning

WGCD Grand Challenge
(10 PSTs)

Youth Healthy Transitions Learning Agenda
(Health PSTs)
OUR GENDER EQUALITY WORK AT A GLANCE

Advance gender equality and empower women and girls

Amplify the impact

Women's Economic Empowerment Strategy
Digital Financial Inclusion
Market Inclusion
Land Tenure Security
Self-Help Groups

Gender Mainstreaming
WSH
FSP
AgDev
FP

Build the gender equality field

Data and Evidence
Communications
Movements and Campaigns
SDG Accountability
Donor Engagement

Drive innovation and learning

WGCD Grand Challenge
(10 PSTs)
Youth Healthy Transitions Learning Agenda
(Health PSTs)
OUR GENDER EQUALITY WORK AT A GLANCE

Advance gender equality and empower women and girls

Amplify the impact

Women’s Economic Empowerment Strategy
Digital Financial Inclusion
Market Inclusion
Land Tenure Security
Self-Help Groups

Gender Mainstreaming

WSH
FSP
AgDev
FP

Build the gender equality field

Data and Evidence
Communications
Movements and Campaigns
SDG Accountability
Donor Engagement

Drive innovation and learning

WGCD Grand Challenge
(10 PSTs)

Youth Healthy Transitions Learning Agenda
(Health PSTs)
What if. . .

WOMEN HAD THE SAME ACCESS TO ECONOMIC ASSETS AS MEN?
What if... women and girls had the same opportunity to build social networks and thrive?
What if... the world’s poorest women and girls could be fully included in markets and economic activity?
Thirteen elements with strong links to Women’s Economic Empowerment

- Alleviation of unpaid care work
- Social and workforce protection
- Policies to promote workplace equality
- Decent work opportunities
- Financial inclusion
- Property and assets
- Digital inclusion
- Vocational and life skills acquisition
- Education
- Family planning
- Delayed marriage
- Legal rights for women to work
- Mobility and safety in public
Seven elements most strongly tied to Women’s Economic Empowerment

Equality and security

Opportunity and inclusion

Fundamental enablers

Alleviation of unpaid care work
Social and workforce protection
Policies to promote workplace equality

Decent work opportunities
Financial inclusion
Property and assets
Digital inclusion
Vocational and life skills acquisition

Education
Family planning
Delayed marriage
Legal rights for women to work
Mobility and safety in public
Elements of the Foundation’s Women’s Economic Empowerment Strategy

- Decent work opportunities
- Financial inclusion
- Property and assets
- Self help groups
- Accelerators

Women’s movements and organizations
- Social norm change
- Public-private partnerships

Access to income and assets
Control and benefit from economic gains
Power to make decisions
OUR VISION OF WOMEN’S ECONOMIC EMPOWERMENT

- Access to income and assets
- Control and benefit from economic gains
- Power to make decisions

Healthy, empowered economic actors

- Increased equality
- Reduced poverty
- Intergenerational effects

Foundational health

© Bill & Melinda Gates Foundation
**WOMEN’S ECONOMIC EMPOWERMENT: THE GENDER EQUALITY STRATEGY**

<table>
<thead>
<tr>
<th>Global Elements of WEE</th>
<th>Foundation Levers</th>
<th>Cross-Cutting Accelerators</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Inclusion</td>
<td>Women’s Digital Financial Inclusion</td>
<td>Women’s Movements and Organizations</td>
</tr>
<tr>
<td>Decent Work Opportunities</td>
<td>Women’s Market Inclusion</td>
<td>Public Infrastructure</td>
</tr>
<tr>
<td>Property and Assets</td>
<td>Women’s Land Tenure Security</td>
<td>Political Will</td>
</tr>
<tr>
<td>Platforms</td>
<td>Self-Help Groups</td>
<td>Social Norm Change</td>
</tr>
</tbody>
</table>

**Outcomes**

- **Access to Income and Assets**
  - Labor participation
  - Diversity of labor opportunity
  - Direct social protection payments
  - Access to productive assets
  - Return on labor

- **Control and Benefit from Economic Gains**
  - Ownership of productive assets
  - Household resource control
  - Bank account ownership

- **Power to Make Decisions**
  - Agency over life choices
  - Access to livelihoods and health information
  - Social capital and self-confidence

**GE/PST Lens:** These strategic choices drove our down-selection process: A. Potential for impact B. Clear mechanism for philanthropic capital C. GE and PST assets and Capacities

Last updated: May 23, 2018
WOMEN’S ECONOMIC EMPOWERMENT: FSP’S ROLE

Global Elements of WEE

- Financial Inclusion
  - Women’s Digital Financial Inclusion
- Decent Work Opportunities
  - Women’s Market Inclusion
- Property and Assets
  - Women’s Land Tenure Security
- Platforms
  - Self-Help Groups

Foundation Levers

- Women’s Movements and Organizations
- Public Infrastructure
- Political Will
- Social Norm Change
- Women’s Political Participation

Cross-Cutting Accelerators

- Access to Income and Assets
  - Labor participation
  - Diversity of labor opportunity
  - Direct social protection payments
  - Access to productive assets
  - Return on labor
- Control and Benefit from Economic Gains
  - Ownership of productive assets
  - Household resource control
  - Account ownership
- Power to Make Decisions
  - Agency over life choices
  - Access to livelihoods and health information
  - Social capital and self-confidence

Outcomes

GE/PST Lens: These strategic choices drove our down-selection process: A. Potential for impact B. Clear mechanism for philanthropic capital C. GE and PST assets and Capacities
**G2P SOCIAL PROTECTION PAYMENTS: WHY?**

### The Overall Opportunity to Accelerate Financial Inclusion

#### Public Sector
- Digitize G2P cash transfers, starting with social protection: 63M
- Convert other social safety net programs to digital transfers: 76M
- Digitize gov wages: 47M

#### Private Sector
- Design products and distribution channels that on-ramp women who already own mobile phones into DFS: 278M

#### Expand Inclusion
- Financially include informal savers (e.g. Savings Groups): 65M
- Digitize MFIs: 55M

---

Note: These are very rough numbers designed to ballpark the overall opportunity and are not meant to provide precision.
Our Hypothesis in the WEE FI strategy: There is a persistent gender gap in financial inclusion and DFS usage that is not going away

The Problem

- Women are making gains in some countries, but not relative to men.
- This gap will affect BMGF’s ability to reach its FSP goal – that by 2035, 80% of adults worldwide and 60% of <$2/day adults actively use a digital account to access at least one financial service beyond payments.
- Data shows that the gender gap is unlikely to close without an intentional gender approach. We anticipate that as usage increases, the gender gap will continue to increase unless we accelerate women’s financial inclusion.

The Evidence

- Taking into account the case of 5 countries (Mexico, Brazil, Mongolia, South Africa, Iran) that have closed the account ownership gap by digitizing cash transfers

The Solutions

- We will test Digitize/Direct/Design (D3) principles on cash transfer programs in three geographies as a catalytic opportunity to accelerate closure of the gender gap
- We will create a robust fact base that identifies and diagnoses the challenges with CICO networks that prevent women from successfully registering and actively using DFS accounts. Once these barriers have been identified, we will determine the best course of action to test targeted interventions.

The Research and Learning Agenda

- We will undertake a multi-year, targeted research agenda to generate a comprehensive body of evidence on the impact of digital financial services on women’s economic empowerment outcomes; the mechanisms through which these outcomes are achieved; and the most effective ways to design and deploy digital financial services for maximum impact.
### Women’s Digital Financial Inclusion

<table>
<thead>
<tr>
<th>Objectives</th>
<th>Intervention/Body of Work</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Accelerate closure of the gender gap in digital financial inclusion</strong></td>
<td>A  Digitize, direct, and design Government-to-People (G2P) social protection payments to onboard more women into DFS (Digital Financial Services)</td>
</tr>
<tr>
<td></td>
<td>B  Optimize CICO distribution channels to better reach poor women</td>
</tr>
<tr>
<td></td>
<td>C  Expand the payment ecosystem for poor women through the digitization of wages for women in targeted sectors</td>
</tr>
<tr>
<td></td>
<td>D  Build the evidence base to maximize the impact of digital financial services for women’s economic well-being.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Access to Income and Assets</strong></td>
</tr>
<tr>
<td>• Improved diversity of labor opportunity</td>
</tr>
<tr>
<td>• More women receive direct social protection payments</td>
</tr>
<tr>
<td><strong>Control and Benefit from Economic Gains</strong></td>
</tr>
<tr>
<td>• Women are actively using their own bank accounts to save money and make payments</td>
</tr>
<tr>
<td>• Women have greater bargaining power over household resources</td>
</tr>
</tbody>
</table>

**GE/PST Lens:** These strategic choices drove our down-selection process: A. Potential for impact B. Clear mechanism for philanthropic capital C. GE and PST assets and Capabilities
<table>
<thead>
<tr>
<th>Country</th>
<th>Program/Project</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pakistan</td>
<td>Benazir Income Support Programme (BISP)</td>
<td>A federal unconditional case transfer program in Pakistan. Launched in July 2008, it is the largest single social safety net program in the country with nearly Rs. 90 billion ($900 million) distributed to 5.4 million women beneficiaries in 2016.</td>
</tr>
<tr>
<td>India</td>
<td>MGNREGS</td>
<td>Provides rural households work at a fixed minimum wage. - A midline study targeted at poor rural households in 197 government units (GPs) across 4 districts. - For a randomly selected subset of these GPs, researchers worked with the state to open bank accounts. In half the villages, the woman’s account was linked to MGNREGS payments so wages would flow directly into her account. - The norm for MGNREGS is to transfer payments to a single household bank account, which is usually controlled by the male head of household. A smaller subset of women also received training.</td>
</tr>
<tr>
<td>Tanzania</td>
<td>Tanzania Social Action Fund (TASAF)</td>
<td>Manages Tanzania’s Productive Social Safety Net (PSSN), which comprises the country’s flagship social protection programs and represents a partnership between the government and nine international donors. - The PSSN reaches 1.1m poor women whose households comprise the poorest 15% of the population, including all 650,000 households below the food poverty line, which makes its CCT program the largest in Sub-Saharan Africa. - The goal of the PSSN is to provide a basic level of subsistence, income-generating opportunities for year-round resilience, and, ultimately, the training and tools to become economically active and self-sufficient.</td>
</tr>
</tbody>
</table>
Ideal Future State

**Digitized**
Priority Social Protection Programs

**Directed**
Transfers to Women's Accounts

**Designed**
Social Protection Policy that Improves Women's Lives

**Gender Transformative**
Digitization refers to a payment system whereby beneficiaries receive payments electronically.

### Reliability

This relates to the predictability, accessibility and convenience of payments.

- Do people receive the money to which they are entitled in regular and predictable intervals? Are they notified about transactions in their account and is the cash available for payment when they choose to retrieve it?
- Can beneficiaries access and use their money through access points, devices, interfaces and authentication methods that they find easy, quick and cost-efficient?
- Are the user interfaces and payments processes accessible for people who are illiterate?

### Cash-In, Cash-Out (CICO) Considerations

- Are there issues with insufficient agent or ATM liquidity?
- Is there a good liquidity management system in place and plan for increased demand for cash on paydays?
- Are agents equipped with training and incentivized to support beneficiaries?
- Can beneficiaries access and use their money whenever they want?
- Can they leave money in the account, or do they have to withdraw it all?
- When there are problems at the local access point, are there alternative ways to access the money?
- How often are customers unable to transact due to network downtime or service unreliability?

### Security and Protection Against Fraud

- Can only the individual, or persons authorized, access the money?
- Do recipients know the official fees required for accessing or using the digital transaction account?
- Are recipients aware of the value of their entitlements, applicable charges and fees associated with their payments, and their new balance after every transaction?

### Control

Do digital payment accounts facilitate control and sense of ownership over personal financial decisions? We will test what happens when beneficiaries have more control or input into the timing, location and amount of a withdrawal, which could include a control to accumulate without penalty, or perhaps potential links to access to credit or insurance. It also includes feeling of control over the account and payment such that assisted withdrawals or usage are no longer necessary, ability to manage deposits and payments without pressures from the program, from PSPs, other family members, etc.

- Can the payment adapt to the timing and predictability of cash flows in a household?
- Does it offer the option to apply discipline or commitment of transfers to aid consumption smoothing or shock responsiveness?
- Are they designed and introduced with space for trial, error and learning?
### Choice

- Do beneficiaries have choices about their payments provider, access point, and portioning of payments?
- Add: Principles of interoperability and working with multiple service providers.

### Communication with Recipients

There should be adequate channels of communication, with responsibilities specified – which could include informing recipients about each the following:

- How much their payments should be.
- When there is a delay in receiving their payments, before they even arrive at the agent to withdraw their money.
- Where to go for troubleshooting when they do not receive their full payment, have a question about the amount received, have a problem with an agent, or encounter a technical glitch with their SIM, card, or phone -- they should know who to call and how to rectify the situation through recourse.

### Recourse

- Is there a well-organized grievance and complaints mechanism for recipients?
- Are there toll-free service hotlines and communication channels for recipients to encourage reporting of complaints and improve resolution?
- Do beneficiaries know their rights and not fear that complaining will get them removed from the program?
- Do recipients know that when there is a problem, an inconvenience, or something that they do not understand, they can get adequate, timely, and reliable help?
## DIRECTED: TRANSFERS TO WOMEN’S ACCOUNTS

*Direct payments go into an account held by the beneficiary, who has control over the account and how the funds are used.*

### Are benefit payments made to women’s accounts?
- Are benefit payments made to women’s accounts?
- The payment should be made into an account that is owned and in a woman’s name, so that she has access to the account directly.

### Access
- Can the beneficiary directly access the account, through an ATM card or mobile phone?

### Rights and Respect
- Do all beneficiaries know their payment amount and frequency? And do they all know how the system and payment mechanisms are supposed to work and where to go if they face problems?
- Does the small size of the payments, the gender and/or socio-economic status of recipients affect the level of respect and dignity accorded by the provider?

*Examples are drafts at this time*
The payment system and social protection program are designed so that contribute to economic empowerment of the beneficiaries. The design features would include the gender intentionality of the program.

### Social Protection System: Basic elements around program design

- The size of the transfer – what is the size of the monthly grant relative to both per capita adult consumption expenditure?
- Duration of the transfer – for how long is the program expected to run?
- Timing and frequency – how often are payments made? Are these timed around expected expense needs (e.g. school fee payments)?
- Targeting mechanism – how do households become eligible for transfers?

### Is there a good understanding and monitoring of gender roles and responsibilities in the household and community?

Is the program design informed by the answers to the types of questions such as:

- Decision-making power -- who is in charge of different types of spending and savings decisions in the household?
- How do the structures of power within households affect how the transfers are managed?
- Do poor women have their own financial accounts? Do they have cell phones?
- How do men and women contribute to poor household’s livelihoods? What types of paid work do women engage in?

### Are gender intentional elements included in program design?

- What is appropriate will depend on the specific context, but the types of elements that can be explored could include the following:
  - What is the current coverage of eligible poor women? Do we know why eligible women are not participating?
  - Are national IDs – that enable access to broader rights, like voting -- required to access to benefits?
  - What are the time and transaction costs associated with digital payments, against mobility and other gains associated with having to collect a physical cash transfer?
  - Is it possible to include incentives for savings and asset accumulation? For example, a lottery for beneficiaries maintaining a positive balance in their accounts?
## Cross-Cutting 

### Training

Building capabilities is important for WEE outcomes, especially where illiteracy and innumeracy are extensive among beneficiaries. We will be testing both content and delivery methods for training and information sessions to build the capabilities of beneficiaries; questions in this area will include:

- Are there sessions to teach beneficiaries how to conduct payment transactions, at least once to ensure they really understand the process? Is there training to teach beneficiaries how to use the accounts?
- Is there adequate training of payment service providers to ensure they know how to answer FAQs of payments receipts, direct beneficiaries when they have problems or questions?
- What other learning outcomes need to be covered so that beneficiaries are able to realize the full benefits of a fully D3 program?

### Program Monitoring, Measurement, and Evaluation

Good M&E is important for understanding whether the “digitize” elements are working. What are the experiences at the agents/branches/atms? Do the agents/PSPs have enough liquidity? Are they charging the right fees (if any)? How long are the recipients waiting? Are there issues at specific locations?

Monitoring should ideally capture long as well as short-run impacts. Some behaviors and outcomes might be expected to take longer to shift – for example, increased probability of beneficiaries to find a job after participating in a public works program, change in attitudes associated with the increased control of cash transfers; long term nutritional status; and so on.

Questions in this area that will be explored include:

- What is the thinking on appropriate indicators beyond number of female beneficiaries?
- Are there accountability measures to hold government officials accountable for quality service delivery?

### Robustness

This relates to all design elements in the scheme, including digitization:

- Is the program flexible, responsive, and committed to finding ways to make the payment scheme work?
- Are the systems and partnership structures flexible enough to make required adjustments, whether they are small tweaks or larger process changes, to quickly rectify problems?

### Value Proposition

A successful program will provide a value proposition for all stakeholders. No single entity will have complete control over all facets of its design and implementation – which means that there should be a clear value proposition for all stakeholders from the outset.

**For the program**: Government stakeholders need to see the value in the e-payment system. Otherwise they may prefer to rely on the systems they already know.

**For the PSP**: The PSP should consider the fixed and ongoing costs of infrastructure and also consider the benefits, whether they be profit, new client acquisition, opportunities for other work with government, or corporate social responsibility.

**For beneficiaries** – if the program performs poorly in terms of reliability, trust and the other criteria outlined above, demand for e-payments or other such financial services in the future will be weakened.