Research and Literature Review of Challenges to Women Accessing Digital Financial Services
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<thead>
<tr>
<th>Acronym</th>
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<tbody>
<tr>
<td>ANZ</td>
<td>Australia and New Zealand Banking Group</td>
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<tr>
<td>ATM</td>
<td>Automated teller machine</td>
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<td>BISP</td>
<td>Benazir Income Support Programme</td>
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<td>CBS</td>
<td>Core Banking System</td>
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<td>CGAP</td>
<td>Consultative Group to Assist the Poor</td>
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<td>CPAG</td>
<td>Child Poverty Action Group</td>
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<td>DFS</td>
<td>Digital financial services</td>
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<td>DFID</td>
<td>Department for International Development (United Kingdom)</td>
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<td>FINCA</td>
<td>Foundation for International Community Assistance</td>
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<td>FSP</td>
<td>Functional Service Provider</td>
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<td>GDP</td>
<td>Gross domestic product</td>
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<td>GHS</td>
<td>Ghanaian Cedi</td>
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<td>GIZ</td>
<td>Society for International Cooperation (Germany)</td>
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<td>GSMA</td>
<td>Groupe Spéciale Mobile Association</td>
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<td>ID</td>
<td>Identification</td>
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<td>IFC</td>
<td>International Finance Corporation</td>
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<td>International Monetary Fund</td>
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<td>International Network on Financial Education</td>
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<td>KYC</td>
<td>Know Your Customer</td>
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<td>MFI</td>
<td>Microfinance Institution</td>
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<td>MFS</td>
<td>Mobile Financial Services</td>
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<td>MNO</td>
<td>Mobile Network Operator</td>
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<td>NGO</td>
<td>Non-governmental organization</td>
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<td>NPL</td>
<td>Non-performing loan</td>
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<td>Abbreviation</td>
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<tr>
<td>OECD</td>
<td>Organisation for Economic Co-operation and Development</td>
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<td>OTC</td>
<td>Over the counter</td>
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<tr>
<td>PIN</td>
<td>Personal identification number</td>
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<td>PKR</td>
<td>Pakistani Rupee</td>
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<td>POS</td>
<td>Point of sale</td>
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<td>ROSCA</td>
<td>Rotating Savings and Credit Associations</td>
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<td>SDG</td>
<td>Sustainable Development Goals</td>
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<td>SIM</td>
<td>Subscriber Identity Module</td>
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<td>SME</td>
<td>Small and medium enterprise</td>
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<td>STEP</td>
<td>Support Towards Early Profitability</td>
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<td>UN</td>
<td>United Nations</td>
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<td>UNCDF</td>
<td>United Nations Capital Development Fund</td>
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<td>VSLA</td>
<td>Village Savings and Loan Associations</td>
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Foreword

"Women, in particular, often bear the brunt of poverty and limited access to economic opportunity, including unfavorable financial access…Inequality is not just a moral issue—it is a macroeconomic issue…Growth has to be more inclusive, and for this, finance has to be more inclusive…to close the gender and inequality gap."

Christine Lagarde, Managing Director, International Monetary Fund, (IMF 2014)

This report has been produced for the International Finance Corporation, a member of the World Bank Group, as well as for the wider financial sector. It examines the current situation of financial exclusion for women globally, with a specific emphasis on the Pacific region. It aims to highlight the barriers and other exclusionary factors that women face in accessing formal financial services. It provides options for how digital financial services — including technological product design and gender-sensitivity issues — can help to address these barriers based on research and experience.

The mobile industry contributes 4.2 percent of global gross domestic product (GDP). However, 54 percent of women in low- and middle-income countries in the East Asia and Pacific region do not own a phone. With 531 million women not participating in the economy in this way, there is still a large, untapped potential in services using mobile technology.

Research for the report was primarily carried out through a desk review of available literature and individual interviews with experts providing women-focused digital financial services (DFS) across the world.

This report is divided into four distinct sections, with each section having a sub-section relevant to the Pacific region.

1. Insight into the socio-economic challenges faced by women globally.
2. A review of the global challenges facing women in accessing formal financial services.
3. A summary of the reasons why women do not own mobile phones, and if they do, the challenges they face in making full use of them.

How the provision of digital financial services (specific design features of the technology and banker sensitivity) can help the industry and women overcome many of these challenges.

This report also includes a bibliography of useful resources on this topic, case studies of how banks have tried various innovations to improve women’s participation rates, and direct quotations for applicable research.
1. Quick Tips for Digital Financial Service Providers to Reach Women

Recognize That Your Current Offerings Do Not Always Suit Women

No one has purposely excluded women from digital financial services (DFS). Any oversights in this field are by default, as banking has traditionally been done for men and by men. Before 1974, even American banks were legally allowed to discriminate against women applying for credit.¹ The exclusionary behaviour of financial service providers exists globally for women across all income levels.² Businesses looking to leverage female participation in the economy should recognize that women wish to be engaged, and that they may participate in different ways.

For Higher Returns, Slow Down the Sale

This seems counter-intuitive, but it works. Women are more risk-aware than men and take longer to make decisions. They do make decisions though, and when they do, they tend to have not worse NPLs than men.³ Information should be given to them up front to help them feel ready to make their decisions.

Women talk and share. If a service provider is really helpful and easy to talk to, that may even become a reason for meeting.

If You Sell It – Make Sure It Works

If women have put in the time to understand your product and decide to give their money, they want it to work just as promised. Be sure to provide women a clear and responsive feedback point for problems.

Women Travel in Packs

Women are less likely to visit a bank branch. This is due to time constraints, the cost of travel, as well as societal and cultural norms. This does not mean that women are hidden, though. Women group together a lot. Look for a group — market sellers, mothers’ groups, church choir, lending/saving associations, and neighborhood meetings.

Relieve the Burden

Women are time-poor. Quite often they have the responsibility of children, the household, and income generation. Women are looking for solutions that help them with more than one challenge. Providing solutions such as insurance, vendor discounts, health

³. This is a loan that is in arrears for usually more than 30 days.
information, access to like-minded networks is attractive to women.

**Build the Trust**

Though it is hard to hear — many women just do not trust banks. Banks are not considered part of their trusted service providers. However, this does not mean that they do not want to trust. Bank accounts, loans and automated teller machine (ATM) cards are all desired by women, as cited in aspirational surveys.

In addition, women like to discuss things with other women. Banking tends to be quite a male-dominated environment. Using women to communicate about the product may help bring more female customers into the banking network.

**Learn the Language**

Globally, women have received less formal education than men, resulting in lower levels of literacy and numeracy. However, this does not mean that women do not communicate about money. Words such as ‘balance’, ‘interest’, ‘transaction’, and ‘budget’ may be completely foreign to them, but the concepts behind these words are not. In this regard, it is important to find the language that local women use when discussing money and communicate to them in their language. Help them to learn from a starting point where they feel comfortable and safe.

**Give them Phones**

Much of the research on women’s access to DFS revolves around the fact that women are less likely to own or have access to mobile phones. Although this is still a challenge, even in 2016, it is slowly changing.

The primary hurdle to access is the cost of the handset and its usage. As a provider of services, women can be helped over this hurdle by breaking down the cost. Bundling low-cost, easy to use handsets into a sales offer may help. It could also help drive usage and product desirability.

**Pink is Not Enough**

Banks have argued that their products are designed to be accessible to all. Some banks have also gone a step further by ‘feminizing’ the name or brand color of the product. These sales tactics may not work for women. Women are looking for the slow sale, the plain-talking, the easing of the burden, and the sense of inclusion.

**Work your Data**

Most banks and financial institutions already have a lot of information on its current female clients. Institutions should spend time analysing data and talking to female customers. What, if any, are the different patterns in transacting? What trends are not yet understood? A lot of answers may already be available. Institutions need to look for them.

In developing countries, there are many organizations trying to promote access by to financial services by women using the latest technology. Developing a database about women can facilitate value-added partnerships. Women have said that they want information that helps them in their daily lives. Being of service to female customers can also help link women to many other forms of useful financial information.
Since 2009, G20 Leaders have made commitments to improving access to financial services for the poor. This included endorsing the ‘Principles for Innovative Financial Inclusion’ at the Toronto Summit in 2010. These Principles advocate for the use of technological and institutional innovations to expand access to financial services. This is crucial to boosting economic participation for the more than 2 billion people worldwide who currently lack access to formal financial services, most of whom are women\(^4\).

Specific targets for the United Nation’s Sustainable Development Goal (SDG) to ‘Achieve gender equality and empower all women and girls\(^5\) echo the commitments to “Undertake reforms to give women equal rights to economic resources, as well as access to ownership and control over land and other forms of property, financial services, inheritance and natural resources, in accordance with national laws” and “Enhance the use of enabling technology, in particular information and communications technology, to promote the empowerment of women”\(^6\).

However, written commitments alone will not change this lack of parity and inclusion. Much needs to be done by governments, the international community and the private sector.

**The Socio-Economic Situation for Women Globally**

Statistics from the United Nations report on *World’s Women 2015* (United Nations 2015b) reveal that women and girls comprise nearly half of the world’s population, but their socio-economic status is far below its potential. Inequalities still exist, including disparities in work, education and literacy levels, discriminatory statutory and customary laws, and levels of gender-based violence.

**Inequality in work and pay**

Globally, only half of working-age women participate in the labor force, compared to three-quarters of working-age men\(^7\). When women do work, they continue to be denied equal pay for work of equal value and are less likely than men to receive a pension. Consequently, women face large income inequalities throughout their lives. Across all sectors and occupations, women on average earn less than men; in most countries, women in full-time jobs earn between 70 and 90 percent of what men earn (United Nations 2015b). In developing countries, up to 95 percent of women’s employment is in the informal sector that is in jobs that are unprotected by labor laws, or which do not benefit from social protection. Women spend, on average, three hours more per day

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\(^4\) According to the Global Findex (2014) database, 156 million more men than women have an account at a bank or other financial institution or mobile money provider.

\(^5\) http://www.un.org/sustainabledevelopment/gender-equality/#751f89fa361630f60v

\(^6\) Ibid.

than men on unpaid work in developing countries. When all work—paid and unpaid—is considered, women work longer hours than men (United Nations 2015b). On the whole, then, women are the ultimate multi-taskers. They work more hours, for less pay, caring for children, elderly relatives and carrying other domestic burdens as well. This restricts their time and mobility for economic activities or entrepreneurship. Also, societal and cultural norms often impact their financial independence and/or decision-making abilities within the household.

**Low education and literacy levels**

Although the gender gap has narrowed, in some developing countries, the disparities regarding girls are stark. Today, 58 million children of primary school age worldwide do not attend school. More than half of these are girls and nearly three-quarters live in sub-Saharan Africa and southern Asia. Despite progress in educational access, an estimated 781 million people aged 15 and over remain illiterate. Nearly two-thirds of them are women, a proportion that has remained unchanged for two decades (United Nations 2015b).

**Discriminatory statutory and customary laws**

In developing countries, statutory and customary laws continue to restrict women’s access to land and other assets and, in some cases, may explicitly inhibit women’s access to commercial credit. (DFID, GIZ 2013) Further, women’s control over household economic resources may also be limited. In nearly a third of developing countries, laws do not guarantee the same inheritance rights for women and men, and in an additional half of countries, discriminatory customary practices against women are prevalent. Moreover, about one in three married women from developing regions have no control over household spending on major purchases, and about one in 10 married women are not consulted as to how their own cash earnings are spent (United Nations 2015b).

**Gender-based violence**

Around one-third of women worldwide have experienced physical and/or sexual violence by an intimate partner, or sexual violence by a non-partner at some point in their lives. Intimate partner violence is the most common form of violence, peaking during women’s reproductive years in both developed and developing countries. Prevalence declines with age, but persists among older women. In the most extreme cases, violence against women can lead to death; around two-thirds of victims of intimate partner or family-related homicides are women (United Nations 2015b).

**Socio-Economic Situation for Women in the Pacific Islands**

One of the three core values of the Maya Declaration — self-determination, highlighted the fact that each country’s circumstances are different, and that there is not a simple off-the-shelf solution to development needs. This paper focuses on the Pacific. Within the region, there is a great deal of diversity in geography, scale, culture and economies. Therefore, any institution engaging in the region would need to take into account the specifics of the particular country’s situation.

A research study by Women’s World Banking (2015) on financial inclusion for women focused on Papua New Guinea and Samoa, two very disparate countries. Papua New Guinea is the largest country in the Pacific by both size and population, with a relatively well-developed financial services sector. Samoa is a mid-sized Pacific country with a rather nascent and limited financial services sector. The countries are separated by different ethnicities, language, gender norms and cultural traditions. However, gender-based violence is a particular problem in both countries.

The study found that there are barriers that arise from traditional and contemporary cultural and other socio-economic characteristics, as well as those that result from each woman’s personal circumstances.

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8. The research covered only Papua New Guinea and Samoa, and is not intended to be a comprehensive survey of the Pacific region.

9. Agreed in Mexico in 2011 by the Alliance for Financial Inclusion members (central banks and financial regulators from across the developing world), it is a set of global and measurable commitments to unlock human potential by enabling access to financial services.
Some aspects of women’s personal experiences can be common, but may not be applicable to all women. These barriers prevent or limit the ability of women to grow businesses, control their financial resources and access financial services.

**Traditional gender roles and cultural obligations**

Women are believed to be subordinate to men, resulting in systematic violations of women’s rights and violence against women. The legal framework does not adequately protect their interests, particularly in relation to property rights, domestic violence and employment. Women are not empowered to be vocal, and are less likely to participate in public meetings or to put forward their views. In this context, they have also less access to information and are more likely to be illiterate. The following sections highlight the socio-economic situation for women in Papua New Guinea and Samoa (see Appendices for further detail).

**Education and literacy**

In Papua New Guinea’s secondary schools, tertiary education and training institutions, there is a persistent enrolment gap in the percentage of girls and boys of eligible age. Concern for girls’ safety is a significant barrier to their school attendance, and this becomes most acute as the girls reach adolescence. A nationwide survey found that only 57 percent of women reported they could read and write, compared with 69 percent of men. There are consistent rural-urban gaps, with urban respondents 30 percent more likely to report being literate than rural respondents (Asian Development Bank and others 2012). In Samoa, however, girls exceed boys in participation in school at both the primary and secondary levels, and they have a slightly higher percentage of literacy for the 15-24 age group.10

**Work and income generation challenges**

Low education and literacy levels tend to limit opportunities and options for work for women in Papua New Guinea. Thus, the majority of women are employed in the informal sector. In Samoa, despite higher levels of education for women, they still tend to have small-scale, home-based work in the fish marketing, handicrafts, retail and tourism sectors.

- In both Papua New Guinea and Samoa, there are limited economic opportunities for village women and difficulties finding markets.
- The women in the study also noted that there was a lack of business skills and in Samoa in particular, a lack of an entrepreneurial culture.
- Another restricting factor for women’s economic activity is a lack of business capital.
- In some areas (specifically reported in Papua New Guinea), there is a fear of sorcery which can impact economic activity.
- Samoa is also one of the most remittance-dependent countries in the world, comprising 17.6 percent of GDP in 201411. Therefore, there is limited incentive for economic independence.
- Also, in Samoa, there is also a preference toward high levels of discretionary spending rather than investment or saving.

**Gender-based violence**

A study conducted in Papua New Guinea found that 67 percent of interviewed women had experienced domestic violence. Economic dependence on a male breadwinner makes it difficult for a woman experiencing violence to report the abuse or leave her husband (UN Women 2010). Therefore, financial inclusion for women will not only benefit their economic potential, it will also positively impact women’s health and safety. Marital conflict and domestic violence, exacerbated by alcohol abuse, can drive a need for secret savings.

The weak law and order environment further exacerbates the problem, as does the culture of men’s entitlements and privileges over women in Papua

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New Guinea. The customary bride price can be seen as a trigger to domestic violence, as it provides men with a feeling of ‘ownership’ — in addition to the financial burden it places on families.

**Customary obligations to contribute to community, church and family**

Customary obligations greatly impact resource allocation to and control over women who face pressure to contribute their income. In many cases, men request or demand that they hand over their income.
III. Challenges for Women’s Access to Financial Services

“Financial services are a core enabler for consumption smoothing, risk mitigation, self-employment, small and medium enterprise (SME) growth, asset accumulation, and wealth creation. Lack of access to financial services reduces women’s ability to climb out of poverty; increases their risk of falling into poverty; contributes to women’s marginalization to the informal sector; and reduces their ability to fully engage in measurable and productive economic activities.”

Global Barriers

It is an acknowledged fact that gender-disaggregated data regarding penetration rates under financial and mobile banking programs/services is limited. As such, the findings of this paper may not be as robust as possible. However, it is often reported and accepted that there is a gender gap for women’s inclusion in financial services. The gap is estimated at 9 percentage points in developing economies, according to the World Bank’s 2014 Global Findex Database. This is a figure which has remained unchanged since 2011.

A review of the literature finds the following factors that make it difficult for women around the world to access financial services, primarily due to socio-economic and supply-side issues.

Low education and financial literacy levels

Women and girls do not typically have equal access to education. The reasons range from supply-side constraints, such as inadequate sanitation facilities in schools, to negative social norms favoring boys’ education when a family has limited resources. There are also economic and social demands placed on women, spanning from household obligations to child labor and child marriage. In addition, girls and women are often the victims of gender-based violence, including female genital cutting/mutilation. Inadequate or discriminatory legislation and policies often inhibit girls’ equal access to quality education. This continues to have a negative impact on their broader opportunities. Women, on average, are less financially literate (Alliance for Financial Inclusion 2016), and are not familiar with banking and financial terminology.

Some companies have stepped in to fill the education gap. For example, “MoneyMinded is a suite of financial education resources comprised of eight topics separated into 19 workshops which can be tailored to meet the needs of individuals. The program includes activities and guides for facilitators, workshop summaries and case studies and materials for participants. Information about payday lending, insurance and utility bills is also covered throughout the program.”

13. In the Global System for Mobile Association’s (GSMA) 2014 State of the Industry report, only 23 percent of respondents reported knowing the gender composition of their customer base.
Poor access to financial information and lack of social networks

Strong networks encourage women entrepreneurs to take the necessary risks to grow their businesses. They provide crucial market information, logistical support, and linkages to suppliers, investors, financing and technology. However, research shows that women often do not have adequate access to networks, as they are frequently limited by cultural norms that can restrict them from using public transportation or from interacting with men, other than close relatives. Thus, they are at a disadvantage in terms of obtaining resources and information needed to succeed (OECD/INFE 2015). In this regard, “Westpac is the first bank in Australia to have a dedicated Women’s Market team. The team sits within Westpac’s marketing unit and is responsible for retaining the existing female client base as well as acquiring new female clients using its brand “Ruby.”

Confidence in services that are appropriate and affordable

Research shows that women are slower to take advantage of financial services. They are more conservative and risk-averse than men, particularly if they have a major responsibility in managing the household economy. They need to feel confident and secure in selecting a product or service. As many bank officials are often men, women may feel uncomfortable in interacting with them. Indeed, women have reported that service delivery can be patronizing toward them (Silverstein and others 2009).

Women need to be sure that the services and products are actually what they require. Often there is a ‘one size fits all’ mentality, whereas women have unique life-cycle needs. They tend to have a high number of small, regular transactions such as shopping, receiving remittances, paying school fees and bills. Therefore, products must be appropriate to their needs, as well as affordable. Often bank charges for transactions or accounts are prohibitive, and there is a sense that banks ‘eat’ their money. Women may also be loyal to informal products, for example, Village Savings and Loan Associations (VSLAs) due to their social dimension, location, trust, and affordability. This may hinder women from exploring more formal-sector alternatives, even though these may be more affordable and secure than more traditional/local ones. One such example is “Unicredit BulBank, Bulgaria. BulBank has built an all-female salesforce for its women SME clients. All relationship managers are trained in psychological and interpersonal skills to better understand and serve women clients.”

Time, mobility and decision-making restrictions

Women tend to play roles both inside and outside of the home, and this ‘double burden’ makes more claims on their time than for men. Added to this, geographical distance to markets and financial services, particularly in rural areas, is a challenge for women in terms of both time and security. Traditional gender norms can also make mobility a challenge for women who may be expected to remain within or close to the home Therefore, their movement outside is limited and often dependent upon their husband’s approval. This can have implications for their ability to earn an income and access microfinance or other financial services. Bank opening hours can also be problematic for women, as many banks are often only open when women are carrying out their economic activities. Intra-household decisions are often male-dominated, lessening a woman’s ability to independently utilize financial services.

In this regard, an Indian microfinance institution, Grameen Koota, in partnership with mCheck, piloted mobile money services with features such as multiple account balances and personal identification number (PIN) codes that allow women to hide their overall needs.
balance value, highlighting the benefits women see in maintaining privacy by holding their funds in a mobile phone (OECD/INFE 2015).

Legal and regulatory barriers

There are some countries that maintain statutory formal laws, which may explicitly prohibit women’s access to commercial credit. Also, customary laws may undermine incentives to invest. Even where this is not the case, women often lack or cannot access the necessary documentation to open an account. For example, they may not hold a driver’s license, or they may not be registered as the homeowner or bill payer. According to World Bank research, in 2014, 2 billion people worldwide did not have any formal identification document. A disproportionate number of them were women. Discriminatory laws, such as inheritance, may be biased toward men — thereby prohibiting the ability of women to own land that could be used for collateral.

Changing laws can make a difference. For instance, by changing the marital and succession law, Rwanda granted women property rights, including the right to inherit land from their parents. As a result, women are more likely to own property and use it as collateral for a loan than in neighboring countries. (Making Finance Work for Africa 2012).


Gender bias with regard to targeting of customers

In the past, the financial services industry targeted women by advertising products in women’s magazines in developed countries, and providing microcredit at lower interest rates for those with no previous credit history. However, the design and marketing of digital applications have been usually focused on men sending money and women receiving money. Very few mobile operators targeted female business owners or workers (Scharwatt and others 2014).

Women’s World Banking (2015) qualitative research found that across cultures, women have distinct preferences for financial services that provide for the following:

- Convenience: the ability to make small, frequent deposits without taking time away from their domestic responsibilities or from running their businesses.
- Reliability: reliable financial tools that allow them to access their money quickly.
- Security: knowledge that their money is safe.
- Confidentiality: control over how they manage their money, without inquiries or demands from husbands, in-laws, and/or other family and friends.

Technology can be used to allow for banks to adhere to these preferences. For instance, Al Majmoua (Lebanon) created the free Bitakati loyalty card with which its clients can receive discount rates with certain vendors. The goal of the card was to attract and retain women borrowers and give Al Majmoua an edge in a competitive market. Many of the vendors actually became clients who then promoted the product. This, in turn, helped Al Majmoua with client growth and retention.¹⁹

Another example concerns NBS Bank “Pafupi” in Malawi. Informed by market research findings and conducted in collaboration with Women’s World Banking, visuals and local language (Chichewa) were key elements of the communications campaign for the “Pafupi” agency savings account. NBS deployed sales staff to meet women where they live and work. Marketing materials were designed to convey information simply and directly, with a respectful, inviting tone. The emotional appeal was centered on providing “peace of mind,” highlighting proximity, affordability, and the notion that no amount is too small to save. (Women’s World Banking 2015)

Lack of access to a mobile phone or subscriber identity module (SIM); women slower to have access to and adopt technology than men

Today, more than 3 billion people in low- and middle-income countries do not own mobile phones, and most of them — 1.7 billion — are estimated to be women. Indeed, women own and use mobile phones at lower rates than men due to barriers, such as cost, network quality and coverage, security and harassment, agent and operator trust, and technical literacy and confidence. (Altai Consulting 2015).

Lack of understanding about women in the financial industry

The Global Banking Alliance for Women (2014) report20 entitled “How Banks can Profit from the Multi-Trillion Dollar Female Economy” interviewed 30 Chief Executive Officers (CEOs) and senior bankers from institutions that account for about 20 percent of global banking revenue. This report outlined four myths about women that the financial services industry still believes:

1. Men and women are the same. Evidence shows that women are more cautious, like to build long-term relationships, and take longer to make decisions.

2. We just need to feminize the existing products. Research has shown that women place value on the services linked to the product, for example, networking opportunities and education.

3. There is no business case in women markets. Although women are still under-served, there is proof that women have lower churn rates (see Myth 1), and have a lower non-performing loan (NPL) rate than men. Also, as women are more risk adverse, one bank has shown that the profit margin on SME loans to women is 15 percent higher.

4. There is no data to build a business case. Although data are not always accurate or complete, there are pragmatic solutions to determine the female clientele client surveys, gender determination by name or ID type, relationship manager knowledge and so on).

In addition to the myths listed, the report also highlighted the internal challenges for banks. There is little understanding at all staff levels as to how a woman is likely to respond to the offers being made and why. Building marketing materials, product selling techniques and training staff on how to differentiate the needs of women from men can provide new pathways to women.

Barriers in the Pacific

According to the Women’s World Banking (2013) research, women in Papua New Guinea and Samoa considering accessing financial services are faced with many barriers (see Appendix for further detail and quotes from respondents in the study). While most of the barriers are unique to the Pacific, there are some similarities to other geographical regions.

- **High cost, limited access and complexity in formal banking** – The women in Papua New Guinea’s Women’s World Banking (2013) study cited the very high costs of banking, the difficulties in opening an account, and/or meeting loan requirements.

- **Nascent and limited financial services sector** – in Samoa, there are few options for formal banking and products for women.

- **Informal banking comes at a high cost** – In Papua New Guinea, interest rates can be 40-50 percent, and in Samoa 20-30 percent — per fortnight. In Samoa, informal banking is not commonly used. In Papua New Guinea, the women noted the risks, particularly around violence that could occur over repayment problems, as well as the potential breakdown of the Rotating Savings and Credit Associations21 (ROSCAs) if a member defaulted.

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• **Low financial literacy, awareness of banking choices and how to manage a loan** – In both countries, women have little ability to analyze the information and make informed choices — even if they do a comparison of options. They also have limited capacity to make a savings plan, or to carefully consider how they would use and repay a loan.

• **Little emphasis on savings** – Samoan financial institutions have an insufficient emphasis on savings. Women mainly save at home and in secret, and most savings are small amounts for emergencies, and less so for business purposes. This is often due to the many financial pressures on any income earned.

• **Women face challenges to save due to pressure to share their financial resources** – Women reported having to keep secret savings that their family members did not know about. This was most commonly for goals which their family members did not necessarily share, or for emergencies. Such pressures have also included using borrowed money for business to be diverted to meet personal obligations to the Church and the family (Hedditch and others 2010).
According to the Groupe Spéciale Mobile Association (GSMA) report Bridging the Gender Gap (2015), on mobile access and usage, there is still a 14 percent gender gap in mobile phone ownership. The top reasons for lack of ownership and usage for women include the following:

**Cost (handset and credit)**
Women are sensitive to prices. With a number of competing demands and little money, women need to make choices. Women have cited both the cost of handsets and usage as barriers. Mobile operators need to review their plans if they wish to increase usage. Offering low-cost phones with off-peak usage or a family and friends package may help women acquire mobile phones.22

**Network quality and coverage**
Even with the rapid growth of the mobile sector, there are still locations that are not covered, or poorly covered, by cellular services. Though seen as mainly a rural problem, many urban respondents in the GSMA report also expressed difficulties connecting, likely due to congestion in the network.

**Security and harassment**
Women expressed concerns related to theft, as well as issues with strangers making harassing calls. They also listed spam as a reason for not owning a mobile phone.

Many countries are now introducing apps or SMS-based services that allow for the blocking of callers, as well as the means to report harassment.23

**Operator/agent trust**
Linked closely with network coverage challenges, women have cited trust in the Mobile Network Operator (MNO) as a barrier to ownership. This could be attributed to factors such as transparency in pricing plans, expiration of credit, and forced usage due to lack of competition (particularly in rural areas).

**Technical literacy and confidence**
In the GSMA report (2015), women cited technical literacy and confidence as barriers. Also, they were more likely to need assistance to use the features of the phone.

For instance, research by the Grameen Foundation in India shows that multi-step mobile phone menus and the use of unfamiliar syntax are confusing for rural women. For example, women in the study were pressing ‘*’ instead of ‘#’ as they could not differentiate between them. Also, they were not able to correlate ‘answer’, ‘send’, and ‘back’ with the associated soft key on their handset, and then press the call connect button below it (Grameen Foundation 2014).

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22. GSMA 2015, see Smart Philippines Case Study on p 47.
23. GSMA 2015, see case study on p. 52 regarding services to prevent harassment and sending emergency alerts.
In addition to these barriers, many women are still not able to access or own a mobile phone due to social or cultural constraints. These societal norms can be addressed through the employment of female agents and the provision of local, or even door-to-door, services.

Although there are challenges that need to be overcome, it should be noted that the mobile phone is remains a tool that has, or is perceived to have, real value for women to overcome some of the barriers to finance (GSMA 2015) including:

- **Poor access to information and lack of social networks.** At least 89 percent of respondents in every country said mobile phones help them (or would help them) stay in touch with friends and family.

- **Time, mobility and decision-making restrictions.** At least 74 percent of respondents in every country said that having a phone saves time (or would save them time). At least 60 percent of women in 10 out of 11 countries said mobile phone ownership saves (or would save) them money. At least 60 percent of women in every country claimed that a mobile phone helps (or would help) make running errands either more convenient or less expensive.

- **Confidence in services that are appropriate and affordable.** At least 68 percent in every country reported that they feel safer (or would feel safer) with a mobile phone.

- **Gender bias and targeting of customers.** At least 58 percent of respondents in every country said they felt more (or would feel more) autonomous and independent.

These challenges are surmountable with a well-planned and thought-out service. Such solutions could include the following:

- **Cost** – Providers of DFS could provide time-based payment plans on handsets and/or provide ‘free’ air time credit for usage. There is also an opportunity to work with the local MNO or handset-makers to develop a low-cost, branded model that can be provided to users of mobile financial services.

- **Network Quality** – It is very important to ensure that the DFS can ‘run’ on the technology. Is there even coverage in the customer’s location? For DFS providers, it is important to clearly understand the limitations of the cellular network when designing an offering. This includes the length of transaction time, technology used, devices, and so on.

- **Security and Harassment** – Women have said that they feel safer with a mobile phone. Getting handsets into their hands will help women to overcome this challenge. At Etisalat in Afghanistan, for instance, it was found that female customers would not answer the phone when the MNO called. Women do not answer calls of people whose numbers they do not know. Etisalat then decided to send a text message before the call advising that they would be calling. This has helped increase the contact rate and ensure that the customer does not feel harassed.

- **Operator/Agent Trust** – Women need to trust the people with whom they are banking. The agent is an extension of the banking brand. Ensuring that the agents are trusted in their communities (particularly by women) is important. A provider of DFS may be well placed to work with the local women’s groups and ask them to nominate the agent, thereby ensuring that trust is already established.

- **Technical literacy and confidence** – Women want to have and use a phone. The desire exists, but the knowledge may not. Working with women is easy, as they share information and knowledge. Running fun programs like ‘phone display’ bingo may help women learn to use their handsets better. It is also important to ensure that the product uses language that customers understand.

### Mobile Access and Usage — Papua New Guinea

The GSMA (2014) Connected Women report on “Striving and Surviving in Papua New Guinea: Exploring the Lives of Women at the Base of the Pyramid” provides an in-depth look at the status of low-income women and mobile usage in both urban and rural areas of Papua New Guinea.
Research shows that 42 percent of women between the ages of 16 and 21 prioritize having a bank account, and 31 percent prioritize the ownership of mobile phones. With more than 87 percent of this same age group wishing to have better housing, the link to goal-based savings through mobile banking can be drawn.

There are definitely challenges to reaching women in the Papua New Guinea market. The country has 800 languages, varying social norms, with 80 percent of people living in rural areas. There is also a lack of basic infrastructure, such as electricity, water, and sanitation. With regard to direct challenges to mobile ownership, 96 percent of respondents cited the cost of handsets and credit as being too high, and 22 percent of women who have a mobile phone said that it makes their husbands suspicious.

However, the opportunities do exist. With a market that is currently undersupplied with both technology and value-added service such as DFS — as well as a high number of women attending targetable meetings at least once a week — the market is easily reachable.

- With only 16 percent owning a mobile phone and 39 percent having access to a mobile phone, 45 percent of women are ready to adopt the technology, thereby enabling them to save without social pressures.
- Fifty-nine percent of surveyed women attend a women’s group at least once a week (providing women a safe environment where they can build skills); such group meetings can be a medium to overcome technical deficiencies.
- Female friends are cited as the primary sources of information about pregnancy, healthcare, and money management (and secondary sources for business advice); likewise, the mobile phone can become a source of information, including for gender-based violence, for example.24

It is important to note that the technology and the ability to use it is one part of the full product and service offering that needs to be considered when delivering high-quality DFS to women.

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24. For further information about digital coverage and its impact on the economies in the Pacific region, please refer to: http://gsmamobileeconomy.com/pacificislands/
V. HOW CAN DIGITAL FINANCIAL SERVICES BE USED TO OVERCOME THE CHALLENGES FACED BY WOMEN?

To reach scale and impact in their operations, mobile money operators cannot ignore women, who make up half of the potential customer base. However, penetration of services within this group remains low and there are many barriers that keep women from adopting and using these services, such as low levels of literacy and mobile phone ownership. Operators can use a number of tactics to overcome these gender-specific barriers, particularly changing their approaches to marketing and distribution. This includes product offerings tailored to the unique financial needs of women; updated marketing campaigns that women can relate to; and hiring quality female agents who help to build women’s confidence and trust in mobile money services and turn them into loyal customers. (GSMA 2014)

This section provides a more in-depth look at the challenges women face with regard to the provision of Digital Financial Service. It also introduces (through case studies) some information about providers trying to overcome these challenges in their own ways, using mobile technology and addressing broader sensitivity issues (for example, less patronizing staff).

To providers of financial services, DFS can look like ‘just another channel’, and it is sometimes treated internally as such. However, as DFS is targeted to clients that have traditionally been unserved or underserved by the formal financial sector, this is their first introduction to formal financial services. They will need to develop an understanding of the technology, how a bank account works, how to transact, build trust, and see the value of the offering. It is important to ensure that it is the view of the customer that drives the development, sales and marketing of DFS. This is even more important when the customer is a woman.

Banks do not want me as a customer

As noted, banks can be intimidating, as well as socially difficult environments for women. Perhaps unwittingly, many banks have built products and environments that exclude women. As shown though in the Women’s World Banking report on Global Best Practices (2014), there are changes that can be made to the existing models that provide for more inclusive environments. The following notions can be applied to both branch and DFS-related engagements:

- **Know your Customer.** In normal bank jargon, this means fulfilling documentation needs for account opening. However, it also involves spending more time to understand current data (both internal and external) and reviewing the real constraints placed on women in the community, for example, social norms, daily lives, and literacy levels. In doing so, institutions can better understand the needs of 50 percent of their available markets.

- **Product Design.** Women face myriad challenges in their daily lives and are looking for products that help them to solve one or more of their needs. For instance, packaging easy payments with a transaction account and a separate savings account allows women to pay school fees and save at the same time.

- **Internal Capacity.** Women tend to engage differently than men in the market place. They are not necessarily more difficult, just different.
The product design is important, but so is how it is sold. Women tend to ask many more questions up front about how the product works. While this may prove frustrating, it could be addressed by creating clearer marketing materials or multimedia approaches. Women are also less likely to be literate or numerate. Women still make purchases, but they will probably need more face-to-face engagement, including more tolerant and patient staff. In addition to these more across-the-board concerns, women tend to prefer to deal with other women. Institutions need to ensure that there are enough women to serve women clientele. (GSMA 2014, 8)

Where can I access my account?

As noted, many women are restricted in their ability to travel due to home-based requirements, social constructs, distance, and/or financial cost. The provision of DFS in these environments allows for a transaction point to either be in their hand or close at hand. There are models that actually have the agent transacting directly at the front door (GSMA 2014, 7-8). Additionally, local transaction points can provide financial literacy and sell new products. The case studies on Diamond Bank Nigeria and AMRET Cambodia (see Appendices) provide information on how the provision of local DFS centres has enabled women to securely save and make financial transactions.

Who will help me if I get it wrong?

Women look to other women for information about healthcare, children’s education and money management (GSMA 2014). Additionally, in some societies, women are restricted in their ability to interact with men (GSMA 2014, 8). The provision of a women’s agent network to provide both transactional and educational support meets the needs of women. Although a service may be conveniently located, if it is run by a man, or is heavily frequented by men, it may be a place that a woman is not likely to feel comfortable, for example, liquor stores, male-targeted cafes, and sports clubs.

Studies show that using female agents (GSMA 2014, 8) drives the usage of both women and men, and can help to build trust in the network. Many women are already members of women-only groups, which can be leveraged to find both agents and customers. Tapping into such networks builds on the trust that has already been established.  

In the Democratic Republic of Congo (DRC), women must have their husband’s permission to open a bank account, or even accept a job. The outcome of the recent civil war and the outflow of many males as migrant workers has led to about 25 percent of households being, de facto, led by women.

However, a study about agents by the Foundation for International Community Assistance (FINCA) (FINCA 2016) noted the following: The key finding of the study is (when controlling for external factors in the regression analysis) that — as agents — women do a better, more efficient job compared to men. Not only do female agents transfer higher volumes per FINCA transaction, they also, on average, report 12 percent more FINCA transactions per month than male agents.

The Partnership for Financial Inclusion – Women Make the Best DFS Agents

For more information about how financial sector alternative delivery channels create business opportunities for women in emerging markets, see the case studies on Fidelity Bank Ghana and Zoona Zambia.

How do I use the service?

As noted, women in developing countries are less likely to be educated and therefore more likely to be both illiterate and innumerate. This means that traditional marketing models do not work with this group, particularly standard booklets and leaflets. This has also made it difficult to build a business case around this market group because it is perceived as too hard to reach. Studies have shown (Melnyk and others 2009) that when women build trust in the

25. http://www.cgap.org/blog/achieving-financial-access-through-village-banking-and-data Although this source does not directly reference women, most VSLA’s are predominately women and are managed by women.

individual providing the service (that is, the agent), they stay loyal and value the offering.

In most of the case studies in the Appendices of this report, the DFS providers needed to undertake a more intensive, face-to-face training program to reach women. For example, as part of their role in delivering the Benazir Income Support Programme (BISP) payments, EasyPaisa of Pakistan has built 36 permanent camps at which customers verify details, receive their cards, and receive training on how to use their cards by EasyPaisa agents and at ATMs. These camps service 1.6 million women and are intended to be no further than 5 kilometers travel for any customer. Though these camps are still critical in helping with new registrations, lost cards, forgotten PIN, and so on, usage and trust in the EasyPaisa system is now inherent in local recipients through the sharing of knowledge.

Like any new product or service, it needs to be made accessible conceptually and operationally. To drive usage change, management needs to be incorporated into the delivery model. An adequate time period for change also needs to be taken into account.

Some models of marketing activities that can be done with illiterate and innumerate women include the following:

- Making use of the existing groups that women belong to church groups, school groups, farming collectives, handiwork groups, savings groups, and so on.

- Building on things that are fun and already a part of women’s lives. This could include the use of soap operas, songs, games, competitions, and so on, that can help women engage and retain the information provided. Leveraging the transactional network (for example, through agents, particularly female agents) to deliver the required literacy and numeracy.

- Using automated voice calls to clients to provide incentives, including reminders about goal targets, congratulations on meeting self-set targets, birthday wishes, and so on.

Is it safe to use?

The security of the product can be broken down into three key challenges for customers:

1. What happens if I make a mistake?
2. What if my phone is stolen?
3. How do I keep my data and transactions private?

Although more women own handsets, many still do not know how to use all the functionality they offer (Grameen Foundation 2014). For low-income people who are very protective of their money, the idea of making a mistake on your phone and losing your money is a very real concern (McKee and others 2015). It is important to build the DFS functionality around existing local phone use behaviors (such as flash dialing) and local terminology for easier uptake. It is also beneficial to be aware of jargon. Although such terms as ‘balance’ may be understood within the DFS provider, it may not be understood in the target market. Women may prefer the use of alternative words or to coin a new term (for example, left-over, still have, rest).

Many people find it challenging to understand how losing their mobile phone or PIN does not mean that they will lose all of their money. Many women do not have sole use of a phone and are also not always in a position where they can keep information secret from family members, particularly husbands. The use of customer care touch points is very important to alleviate fears for customers, but it should be easily accessible (possibly toll-free). Due to low levels of technical literacy, care needs to be taken when working with this group. Building training that is based on alternative, real-life behaviors may also help.

27. Lichtenstein and others, 2006. http://www.jecr.org/sites/default/files/07_2_p01.pdf. This report from 2006 provides insight into the consumer adoption of internet banking (p 53). Though targeted at developed countries with educated populations, the same challenges were experienced, for example, trust in the Internet, technical self-sufficiency, and not seeing the need for change.
28. http://www.impatientoptimists.org/Posts/2015/09/Warning-Mobile-Money-May-Have-Powerful-Sideeffects#.V1kttf9600. This blog discusses the value of the training group, and how it goes beyond learning how to use mobile money.
There are multiple demands on a woman and the resources she has. To build her savings, she must first get the money past the people placing the demands — children, husbands, extended family and community groups. Learning to say no is difficult. Australia and New Zealand (ANZ) Banking Group has launched a financial literacy program, tailored to the Pacific region that includes a section on assertiveness. According to the Solomon Islands Impact Report, the respondents reported an increase in confidence in their ability to say no from 20 to 77 percent after the training.

Adeline Sibanda from United Nations Women says economic empowerment in women drastically reduces cases of gender-based violence in any community.

“It is important for women’s confidence and self-esteem to be raised so the women are able to demand and advocate for space in the key sectors of the economy. Gender-based violence against women in most families is a result of over dependence on men. If women can be empowered economically and are earning, they will not be violated,” Sibanda says. (Lauler 2015)

Although ending violence against women is not the goal of DFS, women’s financial independence can contribute to this goal by providing women with a safe place to store and use their money away from prying eyes, as well as helping her build her own financial resources. Care needs to be taken to ensure that women’s financial behaviour is protected. Banks and agents need to be aware that keeping financial behaviours private is critical and cannot be shared with anybody. Appropriate penalties need to be put into place to ensure that women’s privacy is enforced and protected.

The use of receipts (SMS or paper) also needs to be reviewed. Short-term solutions, such as Snapchat or receipts going to a second, trusted number, may provide the privacy many women need. In Uganda, Airtel worked with the Grameen Foundation to design a digital solution for Women’s Savings Groups31.

To withdraw money, three different people must enter their PINs (replicating the three locks on the old strong box) before withdrawals can be done. This model could be adapted to provide extra protection to women because potential abusers would need to hold power over more than one person to withdraw cash.

DFS provides a woman a safe space to store her money. At the same time, concerns for women need to be properly and empathetically addressed to ensure trust and understanding have been created.

Stella Dube, a 45-year-old mother of five runs a number of flea markets in Bulawayo, Zimbabwe’s second largest city, and her story bears testimony to this.

“I used to suffer all kinds of physical and mental abuse from my husband back in the day when all I did was look up to him to provide for all the financial needs in the home. He would beat me up in private, in public and in front of our children and would sometimes disappear for weeks on end, leaving us with no money for food,” says Dube.

“It was then I realized that I needed to act, otherwise my children would die from hunger. I borrowed money from friends and family and ventured into cross-border trading, where I’d buy stuff from South Africa or Botswana to sell here. It was difficult and took me a long time to become stable, but with perseverance and some luck my business grew, and today I own five stands here and employ several people.

“When I started making enough to pay for the children’s school fees, clothe and feed them, as if by magic, the abuse from my husband abruptly stopped. It was as if he had gained some newfound respect for me and started treating me as his equal. He has not raised his fist to me in seven years, and I think he fears that if he does it again I am empowered enough to leave him and start a life for myself — or worse report him to the police.”

Can I use it for my little bit of money?

Quite often people living in or on the edges of poverty wish to save, but only have very small amounts of money to save. Digital provides a model to do this — without the cost of travel to branches or the fees charged by banks. Additionally, many self-employed people do not receive a regular, set income. They receive some money most days. This means they need to be able to allocate some of that money to savings and store it most days. Physically going to a branch does not meet this need.

These savings may be used for many different purposes. A woman may save for business investment, to put her child through school, to be prepared for a family event (such as birth, death or injury) or for her own personal purchases. To meet the needs of a high-transacting customer with limited resources, it is important that any fees associated with the account are fair and reasonable (to the customer). Globally, there is a tendency away from set monthly fees and limited free transactions. For a financial institution, the business case for DFS to low-income customers is usually based on deposit gathering and customer growth. See the BETA Diamond Bank Nigeria and AMRET Cambodia case studies.

Will I always be able to access my money?

Customers with limited resources will only use a service if they know they can access it easily. Detailed here are some to the key system access issues that are experienced by clients, particularly in rural areas. When customers cannot access their funds, but they know their funds are there, they are not able to distinguish if it is a network fault, system fault, agent fault, or their own fault. The first likely source to blame will be associated with the owner of the DFS, and this will create reputational risk. Worse still, the customer may leave their phone, PIN, and cash behind with the agent to transact when the system is functioning again. There have been notable situations of this occurring, and agents not performing the transactions as agreed.

*Lack of appropriate network coverage* (McKee and others 2015)

In order to conduct transactions with an agent, there has to be consistent network coverage. This means working closely with the MNOs in the country to ensure there is adequate coverage. If areas only receive 2G coverage, then a system must be able to run smoothly and efficiently on this bandwidth. There also needs to be enough band-width to meet potential customer demand. Building a close relationship with the MNO or the network management team is critical.

*DFS System outages* (McKee and others 2015)

This is very closely linked with the previous items. If a system is not stable or is experiencing outages, customers will quickly lose faith in the product/service. Although targeted to low-income people and with very small margins, DFS is still a financial service. As such, it needs to meet the same reliability requirements of an ATM or branch-based platform.

*Agent Liquidity* (McKee and others 2015)

It is common occurrence for agents not to have sufficient liquidity to service all customers. Instead of stating this clearly to customers, though, many agents will simply say that the ‘system is down’ — putting blame on the Functional Service Provider (FSP). This causes reputational damage and may result in customers no longer using the service as a place of storage or a way to remit/receive funds.
VI. Conclusion

In today’s world, women make up a growing percentage of income generators. However, most are not able to fully participate in the financial sector due to many factors. Digital financial services can be an effective channel through which women can access reliable solutions to their financial issues. These solutions reverberate far beyond the financial sector, and deep into the health and safety of women and their families.

Financial services need to be tailored to women’s specific needs. Since many women deal with small amounts of money, services must be inexpensive. Services must provide channels for convenient spending and saving. Due to women’s burdens in the home, services must also be easily accessible. Importantly, women also need privacy when it comes to their banking needs.

DFS are critically important for women whose needs are not as well met by traditional banks in the formal sector. Women in developing countries are more likely to be illiterate and innumerate. They also face challenges dealing with the male-centric world of banking. The advantage of DFS is that it can be tailored to the needs of women, with increased focus on privacy, reliability, trust and education.

While women generally to adopt new technology more slowly, they will ultimately adopt it in greater numbers. Women are usually more conservative and risk-averse than men, particularly if they have a major responsibility in managing the household economy.

In conclusion, key recommendations to reaching women through digital financial services include the following:

• Develop messages that are consistent with the demographics of women, specifically those living in metropolitan versus rural areas;

• Staff and merchants need to be educated further to promote the product to women;

• Emphasize that banking via the mobile phone will enable a greater sense of financial control as they bank, shop, pay, save and pay for utilities;

• Design mobile banking communication programs, including roving staff, that emphasize that phones are the pre-requisite for banking, followed by branches.
These findings are in line with research developed by the Global Banking Alliance for Women (see Box below):

**Global Banking Alliance for Women: Research**

The Global Banking Alliance for Women issued a report entitled "How Banks can Profit from the Multi-Trillion Dollar Female Economy." The GBA interviewed 30 CEOs/senior bankers from institutions that account for about 20 percent of global banking revenue. This report highlights four myths about women prevalent in the financial services industry:

1. Men and women are the same. Evidence shows that women are more cautious, like to build long-term relationships, and take longer to make decisions.

2. We just need to feminize the existing products. Research has shown that women place a value on the services linked to the product, for example, networking opportunities and education.

3. There is no business case for female markets. Although women are still under-served, there is proof that women have lower churn rates (see Myth 1). Also, the trend is toward a lower non-performing loan rate among women. Additionally, because women are more risk averse, one bank has shown that the profit margin on small and medium enterprise (SME) loans to women is 15 percent.

4. There is no data to build a business case. Though data are not always accurate or complete, there are pragmatic solutions to assess female clientele, for instance, client surveys, gender determination by name or ID type, relationship manager knowledge, and so on.
### 1. Situation for Women in Papua New Guinea and Samoa – Commonalities and Differences

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<th>PAPUA NEW GUINEA</th>
<th>SAMOA</th>
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<td><strong>Levels of Education and Literacy</strong></td>
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<td>At the primary school level, the gender gap has narrowed in the last decade or so. However, at secondary school, tertiary education and training institutions, there is a persistent enrolment gap in the percentage of girls and boys. Concerns for the safety of girls are a significant barrier to their school attendance, and this is most acute as the girls reach adolescence. The inability to pay school fees is also a constraint. A nationwide survey found that only 57 percent of women reported they could read and write, compared to 69 percent of men. This suggests a substantially lower rate of literacy among women than men. There are consistent rural-urban gaps, with urban respondents 30 percent more likely to report being literate than rural respondents (Asian Development Bank and others 2012).</td>
<td>According to the most recent statistics in Samoa, girls exceed boys in participation in school at both the primary and secondary levels, and have a slightly higher percentage of literacy for the 15-24 age group. However, Samoa’s 2006 National Census shows that just under a third of the economically active population are women, with most women focusing instead on domestic work (Hedditch and others 2010).</td>
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| **Options for Work and Income generation.** | |
| Low education and literacy levels tend to limit opportunities and options for work. In Papua New Guinea, enclave developments — which are large-scale natural resource development projects — are an important part of the economy. They employ significant numbers of low-income men and women as manual workers. Apart from enclave developments, the majority of the population is employed in the informal sector. | Regarding Samoa, estimates are that nearly 82 percent of the population participates in the informal sector, with women tending to have small-scale, home-based work in the fish marketing, handicrafts, retail and tourism sectors. |

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In both Papua New Guinea and Samoa, there are limited economic opportunities for village women, as well as difficulties finding markets.

| “…I think that roads and transport and finance are difficult. Around Kimbe, there is access to a road, so they can bring their produce. There are a lot of places where they have good fruits, but they have no roads or they just have to walk to travel to get places. They have to carry a heavy load to walk.” (Higher Income, Man, Kimbe, Papua New Guinea).” | “…For me, it is not being able to find a market for our products. We all weave the same thing. Sometimes it is hard for us to find someone to buy them from us.” (Women, Savaii, Samoa) |
| “I sell in my locality because I do not have to pay fees. If I go to the market, then you have to pay a lot of fees.” (Higher Income, Women, Mobile, Kimbe, Papua New Guinea) | |

In addition, women noted that there was a lack of business skills and in Samoa, a lack of an entrepreneurial culture.

| “They need to give loans to women so they can start businesses. They need training – how to make a good business plan, how to attract customers, how to budget, etc. We have the mentality that women are supposed to be in the house. Businesses belong to men – this is the mentality. But you can see that women can do this. They need more training.” (Higher Income Woman, Kimbe, Papua New Guinea) | “There was a group from the Body Shop. Our center manager told us to select one person from the training. I learned so many things, how to treat people, customer service, how to get people to buy from you. You can also see …if there is profit or no profit. Some do not understand that. They just spend it on fa’alavelave[^33]. They just then run around and ask their husbands to pay for the repayment.” (Woman, Upolu, Samoa) |

A lack of business capital is equally restricting for women who wish to engage in economic activity.

| “Our problem is that there are lots of ways to earn more money, like a canteen or poultry, but the problem is that you need capital to start it. We women never get enough money in [our] hands to actually do something, we do not control the money, the husbands and men control the money. This is a big problem for us.” (Lower Income Women, Mobile, Kimbe, Papua New Guinea) | “For me as a mother, there are a whole lot of needs that we need to use the money for. We need to rebuild our shower. Also, my children and I have decided to build a canteen so we can cater for the village community meetings. We could supply them with food.” (Woman, Savaii, Samoa) |

[^33]: Traditional ceremonies where large amounts of money, food and fine mats are accumulated, pooled, exchanged and redistributed between kin-groups to mark funerals, weddings, and title-conferring rituals.
Fear of sorcery can impact economic activity.

“My daughter’s husband was a rich man and he had a lot of assets, we were also prosperous because we had a store. They were jealous of us. I think that people used sanguma (like black magic) on us. They were both murdered by sorcery because of the jealousy. This has discouraged me and my husband from running a business again because we do not want jealousy to affect us that way. My last daughter is studying accounting in Lae. We had a business for a long time, but because of those things that happened, we do not want to run our business anymore.” (Higher Income, Woman, Mobile, Kimbe, Papua New Guinea)

Remittance dependent

Samoa is also thought to be one of the most remittance-dependent countries in the world at 17.6 percent of GDP in 2014. Therefore, there is limited incentive to achieve economic independence. “We turn to our families overseas and we ask them for money (laughs!). All of us have family abroad. They say no, but we keep calling until they agree!” (Women, Upolu, Samoa)

There is a preference toward high levels of discretionary spending rather than investments or savings

“I love bingo! Yes, I am very happy when I play bingo. If the bus comes to take people down there to play bingo, and I miss it then I am very mad!! I do hide some money for my bingo activities! Most of the women that play bingo, they spend around 40 WST. I play smaller money because I don’t play that many papers. It costs 10 WST per paper. I spend around 20 WST because I think that’s about how much I need to spend on my family. I try not to spend so much money on it, but it is very fun and makes me happy to play!” (Woman, Savaii, Samoa).

### Gender-based violence

A study conducted in Papua New Guinea found that 67 percent of women interviewed had experienced domestic violence. Economic dependence on a male breadwinner makes it difficult for a woman experiencing violence to report the abuse or leave her husband (UN Women 2010), thereby highlighting the impact to women’s health and safety that financial inclusion might counter. Marital conflict and domestic violence, exacerbated by alcohol abuse, can drive a need for secret savings—

*Women who have drinking husbands do that. They come and beat up their wives for money. When you do something, you have to do it in secret. Papua New Guinean women are strong women. We are good at keeping secrets. Women go and do their marketing. That is theirs. She brings that income and she repays her loan. Her husband does not necessarily know how much she is making at the market. What she gets, it is hers, but when her husband asks, she will give it. She will not tell the whole amount.* (Higher Income, Women, Kimbe, Papua New Guinea)

“*There are two aspects of Samoan living. I see women that are not married and women that are married. I receive a lot of money and I look at other couples, they are always fighting over money. I am happy that I have ownership of my own money, but I feel sorry for my sisters that have conflicts with their husbands over that.*” (Divorced Women, Savaii, Samoa)

The weak law and order environment further exacerbates the problem.

*The laws against domestic violence are there, but the awareness is lacking. They do not know what they can do. They do not know who they see, or what they can do. I do a lot of counseling. She will be told that if the court charges me, I will kill you. You cannot win. I will give you an example of our daughter. She will come and escape and live with us for one year. Then they will get back in touch on the phone, and he will ask her back and then she will go back for 6 months. She will come back and she will get all bloody and crying. It is not all men here who do this, they are being demonized — though all men do this.* (Higher Income, Man, Kimbe, Papua New Guinea)
Male entitlements and privileges over women and the impact of ‘bride price’ need to be considered.

<table>
<thead>
<tr>
<th>“The women have to ask for money, but (men) ask women about their earnings and some take the money. The men are the bosses. They decide on what is spent or not spent. Men are the head of the family and women follow this.” (Lower Income, Women, Moresby, Papua New Guinea)</th>
<th>The customary bride price can be seen as a trigger to domestic violence as it provides men with a feeling of ‘ownership’, as well as placing a financial burden on families.</th>
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<td>“When you think about bride price, then everyone is contributing here and there. You may not have anything at home, but you have to give.” (Lower Income, Women, Branches, Boera, Papua New Guinea)</td>
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**Customary obligations to contribute to community, church and family** greatly impact resource allocation and control. They also impact women who face pressure to contribute their income. In many cases, men request or demand that they hand over their income.

| “Most of the time, I experience that every time you go through social problems, like different Wantoks\(^{35}\) asking you for money here and there, 100 here and 100 there.” (Higher Income, Man, Kimbe, Papua New Guinea) | “It is really hard because there is so many fa’alavelave going on, especially for women. I have to make my contributions to the women’s committees from my account. My husband’s account is for emergencies and school fees. One of my children is schooling at the university in Apia, and it is a very high fee that we have to pay.” (Woman, Savaii, Samoa). |
| “As a Samoan, when you get money, there is already something in mind to pay. For example, if I get my money today, I already have line items that I need to pay, such as food, church contributions, or other things like school fees, electricity, etc. — even before I get my money. If there is anything left, then maybe 10 or 20 WST, I put that into my savings account. I know that if I save money today, then I can go back to it next week.” (Woman, Savaii, Samoa) |

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35. The ‘Wantok’ system is a social system whereby members of the same ethnic group, family or district assist and depend on one another in social and financial matters.
2. Barriers to Women Accessing Financial Services in Papua New Guinea and Samoa

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<tr>
<th>PAPUA NEW GUINEA</th>
<th>SAMOA</th>
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<tr>
<td><strong>FORMAL BANKING</strong></td>
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<tr>
<td>High cost, limited access and complexity – the Women’s World Banking study (2013) noted the very high costs of banking in Papua New Guinea, including account maintenance fees, withdrawal fees, and interest rates.</td>
<td>Nascent and limited financial services sector – The limited formal banking sector mainly serve wage earners, who are primarily male and middle or upper class. Most transactions are for salary payments and pensions, against which loans can be taken. There has not been much movement to include non-salaried workers, or the provision of other services. With few private microfinance institutions (MFIs) and only a couple of projects, there are few options open to women in Samoa.</td>
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<td>“I have heard that for a loan of 5,000, you have to pay back 7,000. That is too high, so we do not borrow money. Why would you borrow if you have to pay back that much interest?” (Higher Income Women, Kimbe, Papua New Guinea)</td>
<td>“All of our husbands’ have accounts.” (Women, Savaii, Samoa)</td>
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<tr>
<td>Women also face difficulties in opening an account and/or meeting loan requirements.</td>
<td>“I do not have a job. Then I do not see the need to hold a bank account.” (Women, Savaii, Samoa)</td>
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<tr>
<td>“I have heard from my friends that getting a loan is very difficult. I also believe that it is better to use banks to save and not borrow.” (Higher Income Women, Kimbe, Papua New Guinea)</td>
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<tr>
<th><strong>INFORMAL BANKING</strong></th>
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<td>High costs and risks of informal banking – where interest rates of 40-50 percent per fortnight are common.</td>
<td>Limited and fairly high cost of informal banking – Informal borrowing is pre-dominantly from village-based women’s committees (Komiti) that lend informally to members at a rate of 20-30 percent per fortnight. However, informal lending is not so common in Samoa.</td>
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<td>“You have to pay back 30 PGK on 100 for interest. I do market money. That is one of my interests. That is my business.” (Lower Income Women, Kimbe, Papua New Guinea)</td>
<td>“Yes, the women in the committee can lend the money to members. It has to be agreed upon amongst all the members. There is an interest. For 100 WST, you have to repay 20 WST extra. It is usually 50 WST because it is not just me; it is everyone that is borrowing. For 50 WST, you have to repay 20 cents per WST.” (Women, Savaii, Samoa)</td>
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<td>Informal loans can be risky in that it is not uncommon for there to be violent clashes over repayment. Also, interest is still charged even when loans are between family and friends, as well as with professional moneylenders.</td>
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<td>Q. What happens if you cannot repay? “Summons, from the court. Sometimes they may beat you up or threaten you or someone else.” (Higher Income Women, Kimbe, Papua New Guinea)</td>
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<td>The informal rotating savings and credit associations (locally called ‘sande groups’) are mainly used for consumption, not business purposes. These are considered high risk because they may break down due a group member defaulting.</td>
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"This is very popular amongst women. We take turns and we get money from it. But it has sort of broken down because a lot of women do not put their share. It depends on everyone doing it. Due to the unfaithfulness of some women, the 'sandes' do not work." (Lower Income Women, Kimbe, Papua New Guinea)

### LOW FINANCIAL LITERACY

Low financial literacy and awareness of banking choices, while rarely comparing choices. Even if a comparison of options is made, people have little ability to analyze the information and make informed choices. They also have limited capacity to make a savings plan, or carefully consider how they would use a loan. They have limited understanding of interest rates and the total amount that they would have to repay.

Q. Does anyone have an idea of the requirements?

“No idea. We struggle to know what the bank loans are, what the interest is. We have to find a way to get more information from them about the loans.” (Lower Income Women, Kimbe, Papua New Guinea)

Q. So banks are very expensive?

“Yes, but we do not know how much it is. We have no idea.” (Lower Income Women, Kimbe, Papua New Guinea)

Low financial literacy and awareness, including a misunderstanding of how to use loans – People reported difficulty in making a savings plan, and did not consistently appear to plan how they would use and repay loans. Despite training from microfinance institutions, some had limited understanding of interest rates and the total amount that they would have to repay.

Q. What is the interest rate on that loan?

“I borrowed 1,000 WST, but I didn’t get the full amount. I had to pay 1,270 altogether.”

Q. Was that a surprise to you?

“Yes, it came as a surprise to me. I originally thought that for a 1,000 WST loan, I would just have to repay 1,000. But afterwards, I went to the SPBD training after and they told me…..” (Woman, Savaii, Samoa)

### LITTLE EMPHASIS ON SAVINGS

Samoan financial institutions have an insufficient emphasis on savings. Women mainly save at home and in secret, although mostly savings are small amounts for emergencies and less so for business. This is often due to the many financial pressures on any income earned.

“It is hard to save because when things happen in the village, you cannot hold onto that money. Even if you are saving for a purpose, you have to give it towards that. Because that is happening now, but savings can happen later.” (Women, Savaii, Samoa)
## CHALLENGES TO SAVE DUE TO PRESSURE TO SHARE

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<th>Women reported having to keep secret savings that their family members did not know about. This was most commonly used for goals which their family members did not necessarily share, or in case of emergencies.</th>
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<td>“… the money left over from spending from my husband’s pay, I do keep that aside as secret savings. I just leave it in my bag. My children will go through it and they will try to find it. They do not know the secret place for it. I have to keep some private for emergencies. If someone gets sick and has to go to the hospital, then my whole family will look at me and say how we will go to the hospital, where will we get the money? I will say don’t worry, just pack up your things and I will take care of it.”</td>
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<td>(Woman, Savaii, Samoa)</td>
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<td>Such pressures have also included using borrowed money for business, which is then diverted to meet personal obligations to the Church and the family (Hedditch and others 2010).</td>
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Case Study 1: Banking on the Market

The Service

Low-income women in the bustling city of Lagos, Nigeria are both time and resource poor. However, they seek services to ‘park’ their money for larger spending purposes, such as business capital and school fees. Women have traditionally had access to an informal service called *Ajo*.

Therefore, Diamond Bank decided to replicate this model to attract people into the formal banking sector.

In addition to providing a newly-designed savings account with no minimum balance or transaction fees (BETA savings account), Diamond Bank built a network of agents called BETA friends to work in the markets where these women make financial their transactions.

Innovations

**Going to the Customers:** Queues in African banks are notoriously long and many people do not have the time to do banking the traditional way (even though they would like to have bank accounts). The BETA friends service allows people to save quickly, and in a place that suits them. Compensated on an incentive basis, the BETA friends create their own portfolio of customers — from an average of 200 customers to up to 500 for high performers.

**Reduced and accessible Know Your Customer (KYC):** Many customers (quite rightly) perceived the requirements to open a bank account onerous. Therefore, Diamond Bank needed to make the registration process quick and with minimal requirements. Account opening is done through a mobile phone and a starter pack (with a Debit Card) is given immediately to the customer. No trips to branches, utility bills or references are required.

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36. The Ajo Service does a daily collection of savings at the market stalls. Typically, money can only be withdrawn at the end of the month. Fees are generally equal to one day of savings. Though commonly used, the risk of the Ajo collector running off with the money is real.

37. Nigeria has a regulatory system that allows for different KYC for different types of transactions (including balance limits and transaction limits).
Marketed directly to women: The BETA savings account was marketed directly to women (without discriminating against men). The tools were designed with women in mind, as they had previously been very hard to reach. This however did not deter men. Indeed, men comprise 60 percent of the account holders.

Adaptations

Adapting the product: Diamond Bank wanted to have the deposits of these customers, but realized it would need to provide a service that cost no more than the Ajo service. Diamond Bank built its business case on the low cost of funds that come from leveraging savings. The account also attracts interest, and offers a chance to win weekly cash prizes.

As women are harder to convince and tend to ask more questions than men, opening accounts for women was not seen as lucrative to the BETA friends. Diamond Bank decided to pay the BETA friends higher incentives to open accounts for women as they knew that women were more likely to use the account regularly, save more, and withdraw less. Men tend to see the account as more transactional than for savings purposes.

All marketing and communications are done using ‘everyday’ language. Banking jargon, by contrast, was seen as exclusionary and not well understood.

How the BETA product and friends have added value to Diamond Bank

Diamond Bank has grown a complete new segment of customers that were previously untargeted. The savings gathered is less costly than raising funds on the international markets, and can therefore have a larger spread when lent out.

Brand awareness and trust is developing in markets that previously saw banks as inaccessible. Word of mouth marketing puts Diamond Bank at the front of this new market.

Further opportunities

Customers have expressed interest in borrowing and realize that by formally saving, they are creating a history that allows them to borrow. Diamond Bank is already assessing lending possibilities.

This new market segment presents fresh opportunities to offer products, such as insurance and youth banking (or school-based BETA friends).

How this can apply to the Pacific Region

The Pacific Region is still largely unbanked. However, it does have a number of venues where people congregate, such as markets, schools, Bingo halls, churches, and so on. These are places where a BETA friends concept could be used to open accounts and make transactions.

Bingo is enjoyed by many Pacific women. Generally, giving prizes to customers can entice new users into registering and utilizing the product.

Additional Resources

Case Study 2: CAMPING WITH OUR CUSTOMERS

The Service

EasyPaisa® of Pakistan uses 75,000 agents and 6,000 plus 1-link enabled ATMs to facilitate 1.2 million Benazir Income Support Payments (BISP) to poor women every quarter. Utilizing an innovative co-location tent for each client servicing, EasyPaisa has watched these women develop their financial literacy and share this learning in the community.

Innovations

The BISP recipients are not likely to own mobile phones. EasyPaisa and BISP opted for a debit card solution. These accounts can be transitioned to mobile phones when ownership and usage rates increase.

To service these customers, BISP and EasyPaisa have set up 31 “campsites” strategically located approximately 5 kilometers from any client’s home. These tents have BISP staff members to verify eligibility. EasyPaisa personnel in turn issue and train customers in how to use the debit cards, making them a one-stop tent for customers. These service tents also manage lost cards or PINs, re-training and queries about payments.

Adaptations

EasyPaisa needed to ensure the cash-out points were ready for 1.2 million transactions of 5 billion Pakistani Rupee (PKR) (approximately US$47 million) per quarter through retailers and ATMs. The availability of cash in ATMs is not the responsibility of EasyPaisa, as the ATMs are owned by various banks across Pakistan. Therefore, they mapped locations of clients and reviewed current liquidity levels, and increased agent numbers of installed ATMs. A lot of pre-planning was involved.

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38. EasyPaisa is a joint venture between Telenor Pakistan and Tameer Bank/MFI in 2009. Telenor now owns 100 percent of Tameer Bank, and therefore 100 percent of EasyPaisa. It is based in Pakistan.
Having access to a debit card was new for all of these women, so mass training events needed to be held. These events advised users on what a debit card is, where to use it, how it works and most importantly — protection of the card and PIN. Through intensive training and service tents, clients have adapted quickly. The information was shared and travelled fast.

EasyPaisa also needed to ensure agents were aware of what was about to occur, including bringing on new clients, understanding how the BISP works, creating service points for customers, and so on.

**How the BISP Payments have added value to EasyPaisa**

EasyPaisa was able to deliver a high quality service for BISP. As such, it has gained many other bulk payers who can now utilize the facilities and knowledge built through the BISP program.

EasyPaisa receives commission from the government to distribute the payments. The government also funds the costs associated with the service tents (except EasyPaisa staff). In addition, it has experienced dramatic customer growth. Customers receiving payments through EasyPaisa are also more likely to wish to receive their remittances (from extended family, and other government payments) through this channel.

**Further Opportunities**

- Designing new products to customers, for example, loans to customers based on confirmed eligibility, and micro insurance from BISP payments.
- Adapting cards to also include mobile access and build a non-over the counter (OTC) transaction set.
- Reduced waiting time due to the number of outlets where customers can receive cash. Previously this was through money orders at the Pakistan Post Office.
- Increased financial literacy and access to a formal financial tool that can be used for various reasons.
- A one-stop shop for registration, education, queries and feedback.

**How can this apply to the Pacific Region**

As governments look to digitize payments, DFS providers can be ready to help them achieve this goal. By working with the government, a DFS provider can grow their customer base quickly. The government may also possibly pay for the change management. A marketable and fairly similar client set allows for easier development and testing of new products.

The same model can be offered to large companies, non-governmental organizations (NGOs) and other entities making regular payments. In addition, this generates demand in rural areas where the business case for agents is hard to create.

**Additional Resources:**


https://www.telenor.com/media/articles/2014/bringing-financial-services-to-pakistani-women/
Case Study 3: CRACKING OPEN THE COOKIE JAR

The Service

In 2014, AMRET launched the first stage of its Mobile Financial Services (MFS) program in Cambodia, called Mobile Tellers. The mobile teller provides Door-2-Door account registration, savings collection, and cash withdrawal service with SMS receipts. Managed by the individual branches, these tellers go out to clients’ homes and/or business places where customers are not able to travel to a branch.

The key driver for building the MFS program is the leveraging of rural savings. AMRET knows such savings exist, but these savings are not entering the formal banking sector due to long geographical distances.

Innovations

**Double Processing:** Many new customers were not comfortable with only having SMS receipts. Illiteracy, full SMS mailboxes, and technical unfamiliarity were the major challenges. AMRET decided to adopt both SMS and paper receipts until customers felt comfortable. This helped customers feel safe as they transitioned from their Cookie Jar savings to formal savings.

**Branch Adaptations:** AMRET opted for a decentralized approach, whereby branches would manage the mobile tellers and own the customers. Branch manager roles were adapted to being eco-system driven, rather than branch driven. This required a clear new vision for Branch Managers, and a pilot program was undertaken to see how the changes worked.

**Staged Approach:** There are two phases to the AMRET MFS program. First, Mobile Tellers are brought into an area to register and service customers. This phase builds the trust and creates the eco-system. Second, AMRET will then work with customers to move to a self-serve model as comfort with technology increases.

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39. AMRET is a Micro-Finance Institute in Cambodia licensed do lending and take deposits.
Adaptations

• **Door-2-Door:** AMRET knew it needed to leverage rural savings. However, it also knew it could not build new branches everywhere, and that customers would not travel the distances to visit them. The Door-2-Door model allows AMRET to extend the reach of each branch in a cost effective, yet highly personal way.

• All processes in branches, from cash management to customer complaints, needed to be reviewed and adapted to add the mobile teller model into the day-to-day operations. This review was critical to ensure that the operation ran smoothly for both staff and customers.

**How has the Mobile Teller program added value to AMRET**

• AMRET has leveraged 26,000 new savings accounts as of May 2016. These accounts are depositing savings at about twice per week, with withdrawals being done about once every 2 weeks.

• AMRET has significantly extended its brand reach and built trust in new villages. This means that it will likely be the first port of call for customers who wish to utilize more financial services. AMRET has developed a much greater understanding of the ‘last mile’, that is, what is out there in terms of savings, and how these communities behave. Many of these communities are inaccessible at different times of the year and have been typically ignored by formal institutions.

Further Opportunities

Review other functions that the Mobile Teller can undertake, such as disbursements and collection of loan applications. It may also be beneficial to run marketing programs, and undertake research. Review the savings products and other services offered to determine if further changes are needed to better suit this market —and enable clients to obtain further access to formal financial services through the Mobile Teller channel.

**How this can apply to the Pacific Region**

As in Cambodia, many Pacific women are not easily able to leave home due to home-based needs (children, parents, home businesses). Women need help by having services come to them.

Many communities are still unexplored in terms of what their financial service needs are. First player advantage would allow a DFS to build trust in the community while building awareness of all financial service products.

There are many highly underserved communities in the Pacific region who would benefit from having a regular financial service. The provision of training and support can help introduce these services in more areas of the region.

Additional Resources

http://bwtp.org/amret-microfinance-institution-update/

Case Study 4: Banking Outside of the Box

The Service

As Ghana’s largest indigenous bank, Fidelity Bank has always wanted Ghanaians to know that they can produce the same, if not better, levels of products and services as any international bank. In 2013, Fidelity Bank piloted the Smart Account product and Agency Banking service to set the pace for offering quality financial services to Ghana’s unbanked and under-banked. Fidelity’s Smart Account is either a current or savings account with reduced Know Your Customer (KYC) regulations, an immediately enabled debit card. It is enabled for mobile and internet banking, and usable at any Smart Agent via a point of service (POS) machine.

In 2013, Fidelity Bank partnered with CARE, a leading humanitarian organization funded by the United Nations Capital Development Fund [UNCDF] Micro-Lead Expansion [MLE] Programme. The goal was to pilot the transition of CARE-run Village Savings and Loans Associations (VSLA) from being managed in a locked box to digital banking. Fidelity Bank has also opened an individual account, as well as a group account (in the name of the VSLA Chairperson).

Adaptations and Innovations

- **Reduced KYC** - With approval from the Bank of Ghana, Fidelity Bank opened accounts with low KYC requirements. This meant that customers only needed one type of government-issued identification (ID). For the rural areas, this is predominately a voter ID or a National Health ID card. This ID is then photographed and uploaded so the opening of the account can be immediately undertaken by a Smart Friend (a roving Fidelity Bank representative).

- **Triple PIN** – CARE VSLAs include up to 25 people with an elected chairperson, secretary and treasurer who hold keys. Each group has a box that is locked with three locks that are opened by these keys. To replicate this level of security, Fidelity Bank has split the four-digit account PIN into two, giving two digits each to two persons selected by the group, with the card being domiciled with a third person.

### KEY FIGURES

- **Converted 396 VSLA’s**
- **Individual Accounts Opened: 4402**
- **Total Cumulative Deposit Gamered: Ghanaian Cedi (GHS) 198,243.1 (approximately US$50,000)**
- **4803 Transactions Through Agents**
- **16 New Agents Opened Due to CARE VSLAs**
• **Core Banking System (CBS)** – When developing the Smart Program, Fidelity Bank opted to build a stand-alone CBS for customers that also allowed for internet and mobile banking through agents. Fidelity was then able to move very quickly to market with a new customer set, without impacting their existing customers. This decision, though well thought-out at the time, has proven to have too many limitations (not scalable enough, agents restricted to Smart accounts only, and POS terminals not robust enough for the geography). Therefore, Fidelity is transitioning this platform to their existing CBS.

• **Training through CARE** – With CARE as the overseer and facilitator of the VSLAs, they were best placed to manage and train the individuals and groups in the necessary skills. Providing training in already established and trusted groups allows for ease of information sharing and trust among clients. VSLA members also have input into the selection of local Smart Agents, as they have local knowledge of the reliability, trustworthiness, and abilities of those chosen to provide agent services.

**Added Value to Fidelity Bank**

The partnership with CARE allows Fidelity Bank to access collective customer sets that would have been expensive to recruit on their own.

An interesting outcome of this project has been the anecdotal increase in savings by individuals. VSLAs tend to have set and equal savings requirements for each member to offset any chance of power differentiation. Although this works well for a group dynamic, many women want to save more than the set amount. The provision of the Smart Account allows women to meet their VSLA obligations while still having a safe and secure place to save extra money.

**Further Opportunities**

This pilot project, when adapted, allows Fidelity to convert the remaining CARE VSLAs as well as other savings group models operating in Ghana.

This pilot allows CARE to replicate this program with other institutions in other countries where they are operating VSLA programs. In Ghana, two other financial institutions have now joined this linkage model being piloted by Fidelity Bank and CARE under the sponsorship of UNCDF MLE.

**How this can apply to the Pacific Region**

The Pacific Islands have many savings group structures similar to the CARE VSLAs described here. They are collective groups that can be easily targeted to be the providers of transactions to a struggling agent network.

**Additional Resources:**


Video on Fidelity Smart Account and Agency Banking: [https://www.youtube.com/watch?v=zQ3CCZhTENM](https://www.youtube.com/watch?v=zQ3CCZhTENM)

Video on CARE Fidelity VSLA Linkage: [https://www.youtube.com/watch?v=ks6OBrgxVS0](https://www.youtube.com/watch?v=ks6OBrgxVS0)
The Service

Zoona Zambia has created a specialized program to train more young women to become Zoona tellers, Zoona Kiosk owners and community leaders. In 2014, Zoona was selected by the Girl Effect Accelerator as one of the 10 global ventures best-positioned to take young, marginalized women out of poverty.

Innovations

After doing some data analysis, Zoona realized that even though only 30 percent of their kiosks were owned by women, 70 percent of all the kiosks were staffed by women. When exploring why this was the case, Zoona learned that both clients and business owners trust women more in conducting transactions and operating the kiosks in an effective manner.

In February 2016, Zoona launched the Girl Effect Pipeline. This is a two-week leadership training course for young women who have finished 12 years of schooling, but who have no access to employment or funds to invest in tertiary education.

Providing the young women with training in life skills, phone and computer usage, personal presentation, customer service and how to operate the Zoona system, 41 young women, from rural and urban areas are now earning incomes as tellers in existing Zoona kiosks. The women now plan to become either Zoona Kiosk owners or return to their tertiary education.

Adaptations

The Girl Effect Pipeline is a new program that is intended to run for two years for each cycle, with a new cycle starting every year.

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World Bank Quandl Database, December 2013.
Zoona also provided some seed funding for all new Kiosk owners. This covers pre-built Kiosks, branding (including clothing and signage), tools to manage businesses, and training support.

Additionally, Zoona provided a Support Towards Early Profitability (STEP) payment for new businesses to cover operating costs, such as rent, electricity, phone credit and teller salaries, and so on) for up to one year, or until the business breaks even.

How Girl Effect Pipeline has added value to Zoona

- The provision of start-up support for new Kiosks allows new businesses some time to grow their market, without being hindered at the start by existing debt.
- Pre-made Kiosks allow for consistent branding and ensure a minimum level of consistency in the customer experience.
- Supporting more women tellers, and hopefully more women business owners, provides Zoona with a more trusted agent network that is attractive to its customers.

Further Opportunities

- The ability to adapt or ‘franchise’ the Girl Effect Pipeline model to other businesses where women customers are highly sought.
- Great community branding as a support for rural areas and r young women.
- Move the same model into new markets (for example, to Malawi, where Zoona has already established a business).
- Increased financial literacy and access to a formal financial tool that can be used for a variety of purposes.
- A one-stop shop for registration, education, queries and feedback.

How this can apply to the Pacific Region

- The Pacific Region has many young women who lack opportunities. Sixty percent of women in Papua New Guinea attend a women’s only group at least once a week, and 30 percent of women said they seek money management advice from female friends.
- There is demand for female training services that provide skills and the ability to create an income.
- There are many highly under-served communities in the Pacific region that would benefit from having a regular financial service. The provision of training and support can facilitate financial services to these areas.

Additional Resources

https://www.youtube.com/watch?v=rP-GTP2B6Vs
(Video on the Girl Effect)

http://www.girleffect.org/girl-effect-in-action/girl-effect-accelerator/
Case Study 6: SHOW ME THE SAVINGS

The Service

Dnet\(^{41}\), a social enterprise based in Bangladesh, launched *Aponjon* (meaning ‘the close/dear one’ in Bangla) in 2012. This service provides educational SMS messaging to new and expectant mothers, as well as other family decision-makers (particularly husbands and grandmothers) around pregnancy, birth and infant care.

To reach the potential clients, Dnet brokered partnerships with six outreach organizations, every mobile network operator in the country, and three large corporate partners.

After previously paying commissions to the outreach workers manually, Dnet decided to work with the mSTAR program\(^{42}\) to digitize these payments to save on both time and costs. This has led to an extraordinary 75 percent reduction in time spent processing and collecting the payments, and a 77 percent reduction in the processing cost of the payments.\(^{43}\)

Adaptations and Innovations

**Payment System** – To undertake the digitization of payments, *Aponjon* first needed to create a system that would contain historical information to calculate payments due to each person and include payment details. This system produces payment reports that are sent to each mobile payment partner when payments are made.

**Training Manual** – Though the outreach workers were already confident in using their mobiles for the *Aponjon* activities, this did not naturally lead to confidence in, or the ability to use, mobile money

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\(^{42}\) https://www.fhi360.org/projects/mobile-solutions-technical-assistance-and-research-mstar

\(^{43}\) For more a more detailed breakdown on savings from this project, see: https://www.microlinks.org/sites/default/files/resource/files/Dnet_Payments_infographic_August2015.pdf
applications. The agents felt there was an increased risk of using MFS instead of cash because of a lack of trust in Mobile Money agents, the possibility of being issued fake notes, as well as making mistakes when transacting (and losing money). After extensive training, it was clear agents had trouble remembering PINs. It was decided to ask the women to remember a pattern (on a 3x3 keyboard) rather than the numbers, and this has worked well.

**Partnerships** – The *Aponjon* program is made up of many partners, and adding DFS partners needed to occur. The partners needed to work with *Aponjon* (and the new payment system) as well as the outreach workers to ensure a smooth transition.

**How has the transition to digital payments added value to Dnet?**

The reduction in cost and the willingness to adapt and learn has provided Dnet with a new payment model for their entire operation. DFS payments can now be embedded into programs at the initial stages, including any technical training required.

For the *Aponjon* agents, it has greatly reduced the delay between finishing work and receiving payment for that work. It has also added knowledge and new skills into their daily lives.

**Further Opportunities**

The success of this transition is now visible to the public and will be used to argue the point for the transition to DFS. As pressure is put on cost-reduction in development projects, this model could have wide application.

**How this can apply to the Pacific Region**

The Pacific region has many large-scale employers (such as mining, fisheries, governments, and so on) that are always looking for solutions to pay their workers in a timely, safe and secure manner. Although the transition to DFS has been discussed many times, the appropriate conditions with regard to cost, timeliness and the quality of the agent networks have not been present.

A DFS provider in the Pacific region may be able to fix the Agent Network and build a clear transition path for these employers at a huge savings of cost and time.

**Additional Resources**


Grameen Foundation. 2014. “Research on Women and Usability of Mobile Financial Services in India.” Link to Power Point on the research study can be found at: http://www.grameenfoundation.org/resource/use-mobile-financial-services-among-poor-women


