



GENDER INCLUSIVE FINANCE WEBINAR: INTEGRATING GENDER CONSIDERATIONS INTO COVID-19 POLICY SOLUTIONS

This webinar took place on Monday, 14 September 2020 at 12:30 PM UTC.



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ACKNOWLEDGMENTS

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CONTEXT

The webinar featured Governor Ernest Addison from the Bank of Ghana delivering the keynote address, with Executive Director Dr. Alfred Hannig from AFI delivering the welcome and opening remarks and the Second Deputy Governor Elsie Awadzi Addo from the Bank of Ghana delivering the closing remarks. The high-level speakers included the outgoing Chair of the GIF Committee Deputy Governor Rekha Mhango from the Bank of Zambia, the outgoing Vice Chair of the GIF Committee Sub-Governor May Abulnaga from the Central Bank of Egypt and incoming GIF Committee member General Manager Anwarul Islam from Bangladesh Bank. The webinar was moderated by Ms. Helen Walbey, Head of Gender Inclusive Finance at AFI.

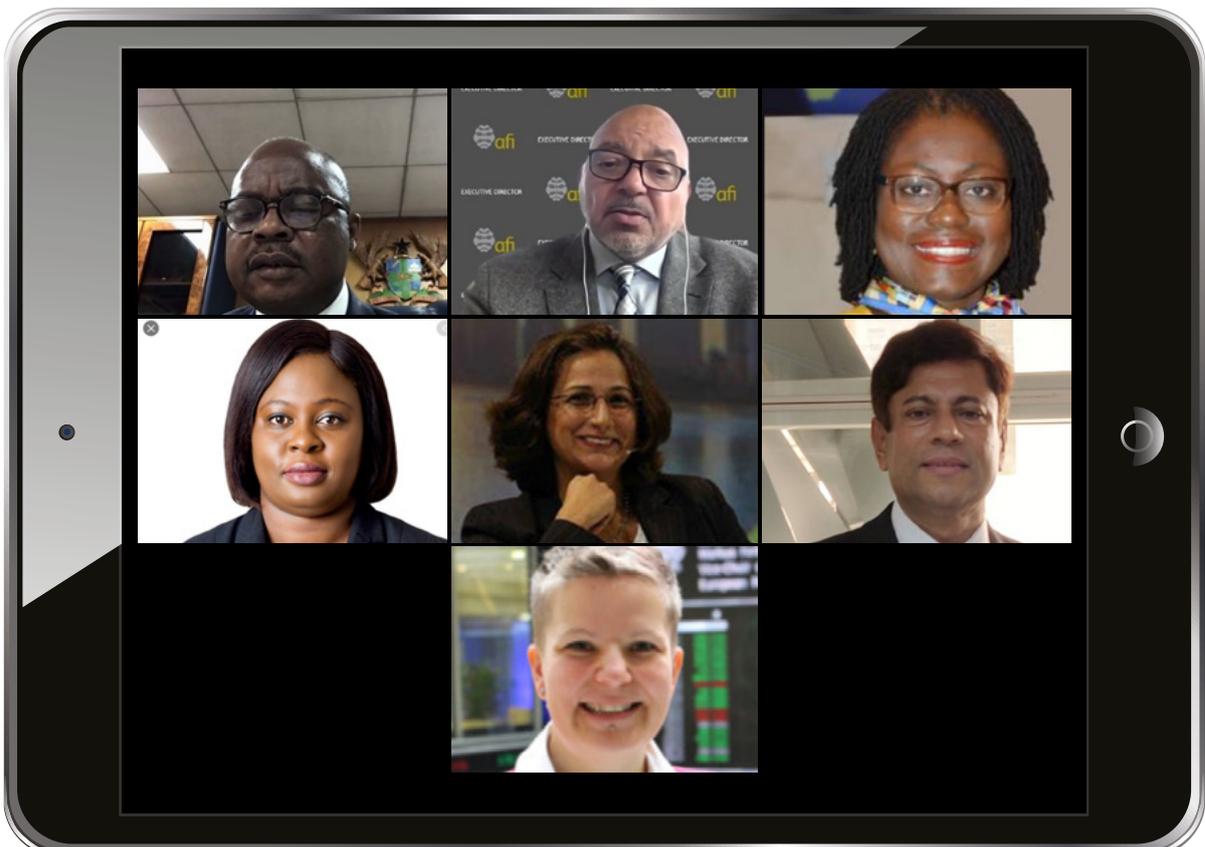
The webinar brought together 102 policymakers and regulators from 35 AFI member institutions who participated in the hour-long panel, with questions at the end of the session. Subsequently, they retreated into small breakout rooms, facilitated by an AFI staff member to discuss the topics and questions presented on the next few pages.

Each room only discussed one topic and the topics were derived from the recent AFI publication, 'Why the economic response to COVID-19 needs to be financially inclusive and gender sensitive'.

The following note provides a summary of the key points highlighted during both the panel discussion and the facilitated breakout rooms.

In response to the development of the AFI COVID-19 Policy Response, it was noted that there were opportunities for the membership to discuss specific gendered implications of the pandemic on women's financial inclusion and some of the regulatory and policy responses that have been implemented across the network.

The goal was to ensure that women do not get left behind in the post-pandemic recovery efforts. The Bank of Ghana brought these topics to the fore of the AFI COVID-19 Policy Response by co-hosting the first Gender Inclusive Finance (GIF) COVID-19 Webinar.



REFLECTIONS FROM THE HIGH-LEVEL PANEL DISCUSSION

Question: What policy/regulatory interventions have been introduced in AFI member countries to support the women-dominated sectors, such as MSMEs and the informal sector that are hit hardest by the COVID-19 pandemic?

- > According to the ILO report, about 2 billion are employed in the informal sector, of which 40 percent are women. Up to 70 - 80 percent of the cross-border traders are women. Among the 168 million migrants, over 68 percent are women and they are the ones engaged in domestic and care work. Without a doubt, women and low-income youth have been the hardest hit by the COVID-19 economic crisis.
- > Zambia, no different from other countries globally, has been hit hard by the pandemic. **The Bank of Zambia** established a 10 billion Zambian kwachas medium-term refinancing facility. This facility is available to all eligible financial service providers to allow them to restructure existing facilities and offer new loans to retail customers as part of the emergency policy response to COVID-19. 60 percent of the facility has been allocated to the priority sectors with the remaining 40 percent going towards the SMEs and households. Furthermore, payment holidays were offered to clients and loan tenures have been extended.
- > Loan classification and provisioning rules have been revised to better accommodate lending and refinancing and restructuring for critical sectors affected by the pandemic.
- > In terms of Digital Financial Services (DFS), the charges for Person-to-Person (P2P) transactions have been waived for small value transactions taking place between April and August. Discussions are ongoing to decide if the fee waiver should be extended further.
- > Lack of information on the informal sector has made it challenging to implement sector-specific measures.
- > The Bank is monitoring the number of loans disbursed to women through credit market monitoring program. In the first quarter of the year, of the total credit disbursed, 27 percent were made to women and 18.4 percent were made to youth – a rise from the previous quarter in terms of loan disbursement.



- > To ensure that COVID-19 and financing-related information reaches the most in need, the **Bank of Zambia** partnered with Financial Deepening Zambia to support the distribution of 30,000 mobile phones and 20,000 solar panels to the underserved populations in Zambia – 60 percent of the targeted population are women and vulnerable households.

Question: How are governments supporting savings and credit groups, or informal economy workers to reach out to the rural and underserved communities?

- > **The Central Bank of Egypt** embarked on the journey of formalizing the Savings Groups (SGs) through the utilization of a DFS solution, capitalizing on the existing mobile payments regulations – as a bank-led model – and applying simplified KYC regulations. Agent banking regulations are being finalized, which will allow the group facilitators to become bank agents, hence, reducing time and cost for both the customer and the bank.
- > **The Central Bank of Egypt** has also approved a fund of 30 million Egyptian pounds to scale up the digital Village Savings and Loans Association (VSLA) model targeting 100,000 women by 2021.
- > Focusing on women-centric projects such as formalizing VSLAs is key to leapfrogging the level of financial inclusion for women, especially in rural and most deprived areas.
- > Building strategic partnerships and maintaining close collaboration with stakeholders are also key success factors to ensuring successful digitization of the informal SGs.
- > Moving towards digitization is very important and this importance was validated and amplified during the pandemic, where the workflow of the digital VSLAs were not disrupted by the restriction on movement during the lockdown.
- > VSLA members were able to proceed virtually with all the transactions, with support from the facilitators on the ground in rural areas. Women who have transitioned to the digital model are not keen to return to the old way of working and have embraced the use of DFS quickly. They are seen using their mobile wallets for other transactions, such as utility payments and other P2P transactions.

Question: How can such lower-tier financial services providers and policymakers prevent the pandemic from taking a greater toll on women clients (individuals and women-owned businesses), particularly those likely to lose access to their savings or mobile money accounts?

- > Microfinance institutions play a key role in supporting the most vulnerable groups through the crisis as seen in Bangladesh.
- > Under the guidance of **Bangladesh Bank**, an additional 30-million Taka stimulus package, designed to support the low-income and marginal groups, has been distributed to microfinance institutions. More than 90 percent of MFI borrowers are women and have benefitted significantly from this scheme.
- > Traditional lending models have long been a barrier to accessing finance for SMEs in fast-growing economies such as Bangladesh.
- > New FinTech-based approaches can unlock finance and help support the country's economic recovery once the pandemic has passed.

Question: How can regulators ensure the economic recovery efforts promote more inclusion?

- > It is recommended that policymakers build in gender-sensitivities into the core of the survey questionnaires so that the situation, needs and experiences of the most vulnerable groups in the context of COVID-19 are adequately captured. The insights from these surveys would help inform the formulation of appropriate and targeted policy responses, which will mitigate the disruptions that the pandemic is having on women and women-led businesses.
- > Financial service providers across the member jurisdictions are encouraged to consider the women market segment and extend credit to them.
- > The network is to accelerate its works on sex-disaggregated data and encourage countries to take the critical first step to develop and adopt sex-disaggregated data frameworks and collection of financial services data. Production of these statistics is critical for monitoring and measuring the success of countries' policy measures, bridging the financial inclusion gender gap and improving the livelihoods of women.

- > There needs to be a focus on analyzing the sex-disaggregated data collected.
- > The pandemic has opened new avenues for inclusion of the most disadvantaged groups. In Egypt, remote onboarding of customers through e-KYC has paved the way for the opening of 3.1 million new mobile wallets. Irregular workers are introduced to the formal financial sectors.
- > There should be diligent assessment on the impact of the measures taken during the emergency and identification of the measures that can be leveraged to further advance women's inclusion, reframe our mindsets and focus on women-centric projects to build women's resilience during difficult times.
- > COVID-19 is a gamechanger for DFS; in order to reap its benefits, many sectors need access to equal digital infrastructure, data privacy, consumer protection and digital literacy.
- > Action should be taken to reduce the cost in digital payment and transactions.
- > Governments should leverage digital platforms to provide social safety nets to women.
- > Nano credit can be an alternative to unlock financing for women and could be offered digitally.
- > Banks should provide digital learning resources to support entrepreneurs who are confronted with the economic impact of COVID-19.
- > Consumer protection and data privacy should be prioritized without placing any additional burden on the consumers.

REFLECTIONS FROM THE BREAKOUT ROOM DISCUSSIONS



1. WOMEN, REGULATION, AND REGULATORY INSTITUTIONS

Question: What gender-specific response measures are already in place?

- > In **Pakistan**, the government has introduced amendments to existing (re-finance) schemes, such as enhanced limits for entrepreneurs, including women entrepreneurs.
- > **Pakistan's National financial literacy program** contains gender disaggregated targets for outreach. The State Bank of Pakistan is working closely with the private sector to leverage digital financial literacy.
- > In parallel, SBP established a Gender Mainstreaming Policy that encourages banks to focus on women as a separate segment, increase women in the workplace and undertake gender-sensitivity trainings.
- > In **Ghana**, government initiatives taken include the COVID-19 Alleviation Program for SMEs. 50 percent of the value of soft loans and grants for micro and small businesses under this program has been issued to women so far, who make up 59 percent of the total number of beneficiaries of these loans.
- > Similarly, in **Bangladesh**, five percent of the stimulus packages has been reserved for women with simplified application processes put in place.

Question: What are the barriers to implementing gender-specific responses in member jurisdictions?

- > Lack of a clear regulatory mandate that focuses on gender-specific priorities, which makes it challenging for regulators to move beyond any gender-neutral focus in policies, as observed in SUGEF.
- > Legislative constraints and governance challenges have made it difficult to introduce policies quickly in times of crisis.
- > Insufficient consumer protection, lack of financial literacy and unequal access to digital infrastructure.
- > Informality is a major challenge and there is a lack of incentives for women to open a bank account.
- > Specifically, informality is very high for women's businesses, which makes it very difficult for them to apply for credit, and they solve it partially by applying for personal loans.

- > Cultural barriers in female employment impede women's access to and success in the labor market.
- > Lack of legal definition for women-owned businesses.
- > Private sector is still not convinced about the business case of women as a separate customer segment or the need for developing strategies for women's inclusion.
- > In **Costa Rica**, there are challenges in collecting consistent and quality data. Financial institutions are not incentivized to report sex-disaggregated data and due to the difficulty of defining and tagging women-owned businesses, the information captured in the system are often inaccurate and inconsistent, and therefore, of no use for policy analysis.

Question: What gender-specific measures need to be put into place in member jurisdictions, to support women through this crisis?

- > Encourage leadership level buy-in and support to drive gender-related initiatives in a meaningful way.
- > Increase knowledge and awareness on the need for the financial sector to develop specific products that respond to the needs of women entrepreneurs.
- > Provide financial education and sensitization of DFS to safeguard consumers.
- > Conduct surveys to gain a better understanding on what prevents the financial sector from addressing women's inclusion.
- > Financial sector providers should collaborate with FinTech companies to scale up access of women in enterprises at a reasonable cost.
- > Establish gender focal points in banks to enable effective oversight and gender mainstreaming.

2. WOMEN'S PARTICIPATION IN FORMAL BUSINESS AND IN THE LABOR MARKET

Question: What gender-specific response measures are already in place?

- > The government of **Ghana** provided grants and loans to the informal sector in response to COVID-19. This was under the assumption that more women are engaged in the informal sector.
- > In the case of **Philippines**, which has a reverse gender gap, financial inclusion policies in the Philippines are gender-neutral and there is no gender-specific policies targeting MSMEs and businesses.
- > The **Reserve Bank of Fiji** has allocated USD 60 million towards its Natural Disaster and Rehabilitation Facility. Towards this end, women-led MSMEs have been identified as a priority sector for lending.

Question: What are the barriers to implementing gender-specific responses in member jurisdictions?

- > Ineffective coordination is a bottleneck, where even with an established coordination structure with a gender-specific working group remains to have serious coordination issues, e.g. Ministry for Women not actively participating in the mechanism (**Banco Central de Mocambique**).
- > Lack of quality sex-disaggregated data, implementation capacity and awareness are common challenges experienced amongst members.
- > In **Fiji**, MSMEs in the tourism industry have been badly affected by the pandemic. Even with the reduced interest rates, many of the MSMEs have been reluctant to take on these loans.

Question: What gender-specific measures need to be put into place in member jurisdictions, to support women through this crisis?

- > Raise awareness and improve technical knowledge on gender-inclusive finance for women-MSMEs and women working in the informal sector.
- > Knowledge and technical support to collect gender or sex-disaggregated data that can be analyzed and actioned to support gender-specific COVID-19 policy responses.

3. WOMEN AND SOCIAL PROTECTION

Question: What gender-specific response measures are already in place?

- > The **Central Bank of Egypt** introduced initiatives to enhance financial inclusion of the underserved households and MSMEs especially owned by women. For example, CBE issued a regulation that require banks to allocate at least 20 percent of their loan portfolio to finance the MSME sector. Also, they introduced government facilities to issue low interest rate loans (five percent) for MSMEs.
- > Steps were taken to defer all the dues (of loans) for six months, which were applicable to MSMEs and women-owned businesses.
- > Additionally, banks were mandated to avail services for the sectors that were severely affected by the pandemic, such as the agricultural sector, tourism sector, and women-owned businesses and MSMEs.
- > In the context of **Bangladesh**, since there are large number of female garment workers, the government issued support packages for garment workers to cope with the severe effects of COVID-19.
- > **Bangladesh Bank** supported the government by providing regulatory responses such as allowing the banks to provide free accounts to facilitate the salary payment of female garment workers.
- > Both the **Central Bank of Egypt** and **Bangladesh Bank** have increased the electronic transaction limit and number of transactions to facilitate electronic payments.

Question: What are the barriers to implementing gender-specific responses in member jurisdictions?

- > The main challenge in implementing regulatory response is that financial literacy is still very low among women, especially in the rural areas. Without increased financial literacy, it is challenging to increase the acceptance rate of those services among the vulnerable and low-income women.

Question: What gender-specific measures need to be put into place in member jurisdictions, to support women through this crisis?

- > Requirements for account opening should consider the needs of women.

- > Consider establishing credit guarantee schemes to facilitate the much-needed financing for women-owned businesses.
- > Prioritize loans for women-led MSMEs during this crisis.

4. WOMEN AND ACCESS TO FINANCIAL SERVICES INCLUDING DFS

Question: What gender-specific response measures are already in place?

- > The **Central Bank of Nigeria** has recently conducted a survey with the aim to identify the vulnerable households and women affected by the pandemic. Prior to this exercise, data was not disaggregated by sex.
- > While there are no gender-specific policies in **Eswatini**, the Government has issued grants to support the vulnerable group through mobile money. A recent decision was made to set up a relief fund for SMEs as part of the COVID-19 policy response.
- > Targeted social safety nets for poor households, using mobile money channels are in place in **Cote D'Ivoire**.
- > In **Honduras**, social relief is offered to the vulnerable groups.

Question: What are the challenges faced by women in accessing or using DFS?

- > Lack of ICT infrastructure, especially in the rural areas where the most vulnerable groups live.
- > The **Malaysian government** realised that emergency cash distribution to those living far away from an ATM or Banks was difficult as a result of movement restrictions. This prompted discussions on ways to improve payment systems so that people in the rural areas can access support (as well as their savings, etc) during times of crises, where human contact and movement are heavily restricted. FinTech could be a possible solution to these issues.
- > Complicated financial products, which are perceived to be unfriendly towards women, especially to those with no formal education.
- > Lack of formal identification, which is needed to receive digital payments.

- > Lack of digital and financial literacy, which limits consumers' ability to understand and use digital tools such as mobile wallets.
- > Fear and insecurity towards using DFS and mobile technology.
- > Lack of awareness and information on redress mechanisms for addressing complaints.

Question: What gender-specific measures need to be put into place in member jurisdictions, to support women through this crisis?

- > It is important to promote and encourage financial literacy and education amongst women, with a specific focus on women in rural areas.
- > Collecting sex-disaggregated data is key and equally important to measure and determine the gender gap in access to finance.
- > Similarly, representatives from **Costa Rica, Ecuador, Honduras, and Mexico** have also identified the importance and relevance of sex-disaggregated data collection to identify the specific barriers for women in using DFS. For example, important disparities in terms of access to credit have been found in Ecuador, mainly explained by other disparities, including distorted labor markets and lack of facilities for women (such as childcare), whilst interesting opportunities for women have been identified in Honduras where more women than men are using digital and e-wallets.
- > Data protection policies with a focus on women are needed.
- > Assistance for an appropriate policy in support of VSLA, by facilitating their access to and use of financial services.

5. WOMEN AND CONSUMER PROTECTION

Question: What gender-specific response measures are already in place?

- > The **Bank of Tanzania** introduced the Microfinance Act a month prior to the COVID-19 outbreak. With the Microfinance Act in place, microfinance institutions were to impose caps on interest rates at 5 percent. This is a positive development for women as the vast majority of the borrowers are women.

Question: What gender-specific measures need to be put into place in member jurisdictions, to support women through this crisis?

- > Set up adequate consumer protection frameworks and recourse mechanisms.
- > Introduce appropriate financial education programmes that take gender differences into account.

Question: What are the barriers to implementing gender-specific responses in member jurisdictions?

- > In **Nigeria**, connectivity is lower in unbanked areas and as a result, it is difficult to reach the specific population with their COVID-19 awareness initiatives.
- > In **Ghana**, the telcos' consumer protection interventions did not explicitly target women.

Question: How can AFI help to support members' COVID-19 policy priorities?

- > Capacity building trainings to support the implementation of evidence-based policies.
- > A platform intended for peer-to-peer learning.
- > Technical and financial support for the development and the implementation of GIF policies.
- > Success stories of countries who have spearheaded successful efforts to implement gender-sensitive policy responses to COVID-19.

NEXT STEPS AND ACTIONS

The insights from the webinar were built on the recently published GIF COVID-19 Special Report on “Why the Economic Response to COVID-19 Needs to be Financially Inclusive and Gender-Sensitive” and complemented evidence collected on the GIF COVID-19 Policy Response Dashboard published on AFI’s Website.

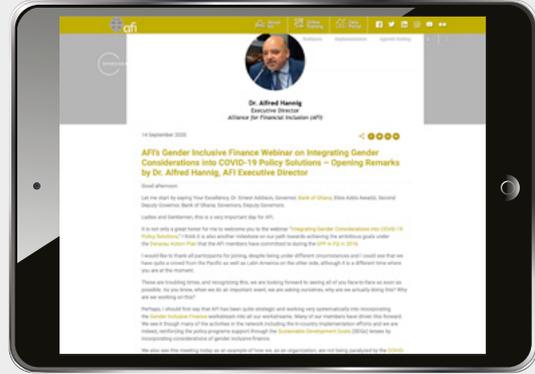
The data and findings articulated at the first GIF COVID-19 webinar will help inform the development of subsequent GIF COVID-19 dialogue series and member engagement.



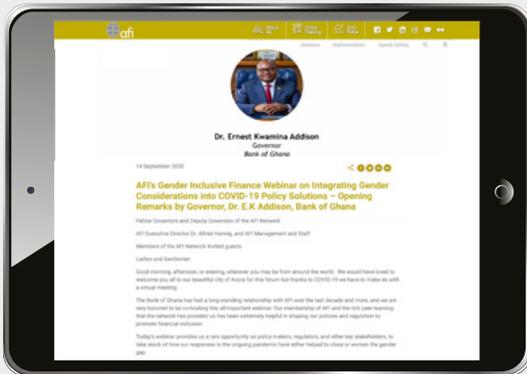
ADDITIONAL RESOURCES



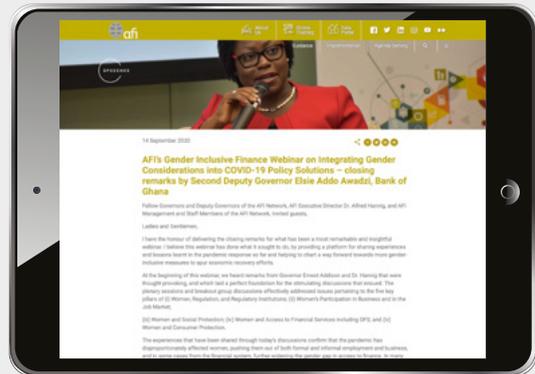
Agility is key to gender inclusive and resilient recovery > [View](#)



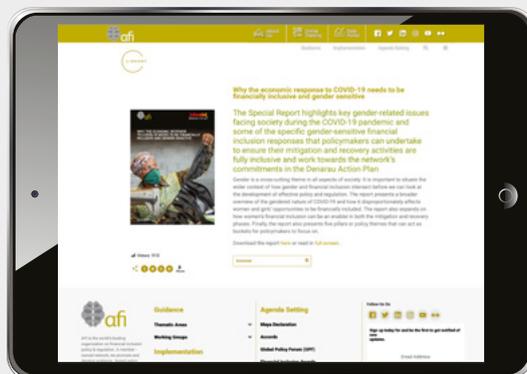
Opening Remarks by Dr. Alfred Hannig, AFI Executive Director > [View](#)



Opening Remarks by Governor, Dr. E.K Addison, Bank of Ghana > [View](#)



Closing Remarks by Second Deputy Governor Elsie Addo Awadzzi, Bank of Ghana > [View](#)



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