

FIRST+

Financial Institution Resilience & **ST**rengthening

Ghana NBFIs

Webinar on Gender Finance

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CapPlus
CapitalPlus Exchange



Young
Africa
Works



DISCUSSION TOPICS AND OUTCOMES

WE WILL DISCUSS...



YOU WILL BE ABLE TO...

1. Banking on women business case
2. Gender intelligence
3. Good practices of FIs
4. How you can lead gender finance

- Better understand the current context and available opportunity
- Know what gender intelligence is and how to apply the gender lens
- Learn about other FIs' gender inclusive programs
- Identify ways for your FI to develop and implement gender finance

SELF-ASSESSMENT TOOL

PRELIMINARY DIAGNOSTIC OF YOUR FIs

To assess your gender finance initiatives and address ways in which you can leverage your strengths and work on areas to improve, across the following 5 key areas:

FI Strategy & Performance	Organization & HR	Market Knowledge, Products & Services	Distribution Channels, Marketing & Com	Clients Data Analysis
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GENDER PARITY

What if women and men were truly equal?

2.4 billion women
worldwide are not afforded equal economic opportunities

In Ghana, women have just three-quarters of
the rights of men

Increasing the female employment rates, in OECD countries,
could boost GDP by over **USD 6 trillion**

When women and men become more equal, economies will thrive.

Our role is to include women and provide equal economic opportunities

1- BANKING ON WOMEN

BUSINESS CASE

OPPORTUNITY IN SUB-SAHARAN AFRICA

CONTEXT IN GHANA

OPPORTUNITY OF WOMEN MARKET



OPPORTUNITY IN SUB-SAHARAN AFRICA

58% of all MSMEs in Africa are women-owned

US\$42 billion is the estimated financing gap for African women entrepreneurs

Only 16 - 20% of women in Sub-Saharan Africa are able to access long-term financing from formal financial institutions

Sub-Saharan Africa ranks 3rd with 33.7% gender gap, out of 8 geographical regions, preceded by MENA and South Asia

It will take 135 years for Sub-Saharan Africa to close the gender gap

Rwanda & Namibia rank 6th and 10th respectively, on the list of the 10 most gender-equal countries

MSMES & WOMEN in GHANA

46.4% of businesses are owned by women

90% of the informal labor force are Women

8% gap between men and women with a bank account

only 10% of women report borrowing from a financial institution

US\$6.1 billion is the estimated MSME financing gap at 13% of GDP

Around 70% is the MSMEs' contribution to Ghana's GDP

In 2018, 3.7% is the share of bank loans that goes to agriculture, much smaller than the sector's contribution to Ghana's GDP (20% in 2017)

Women's contribution in agriculture is estimated to account for 70% to 80% of food consumed in the country



CONSTRAINTS FACED BY WOMEN

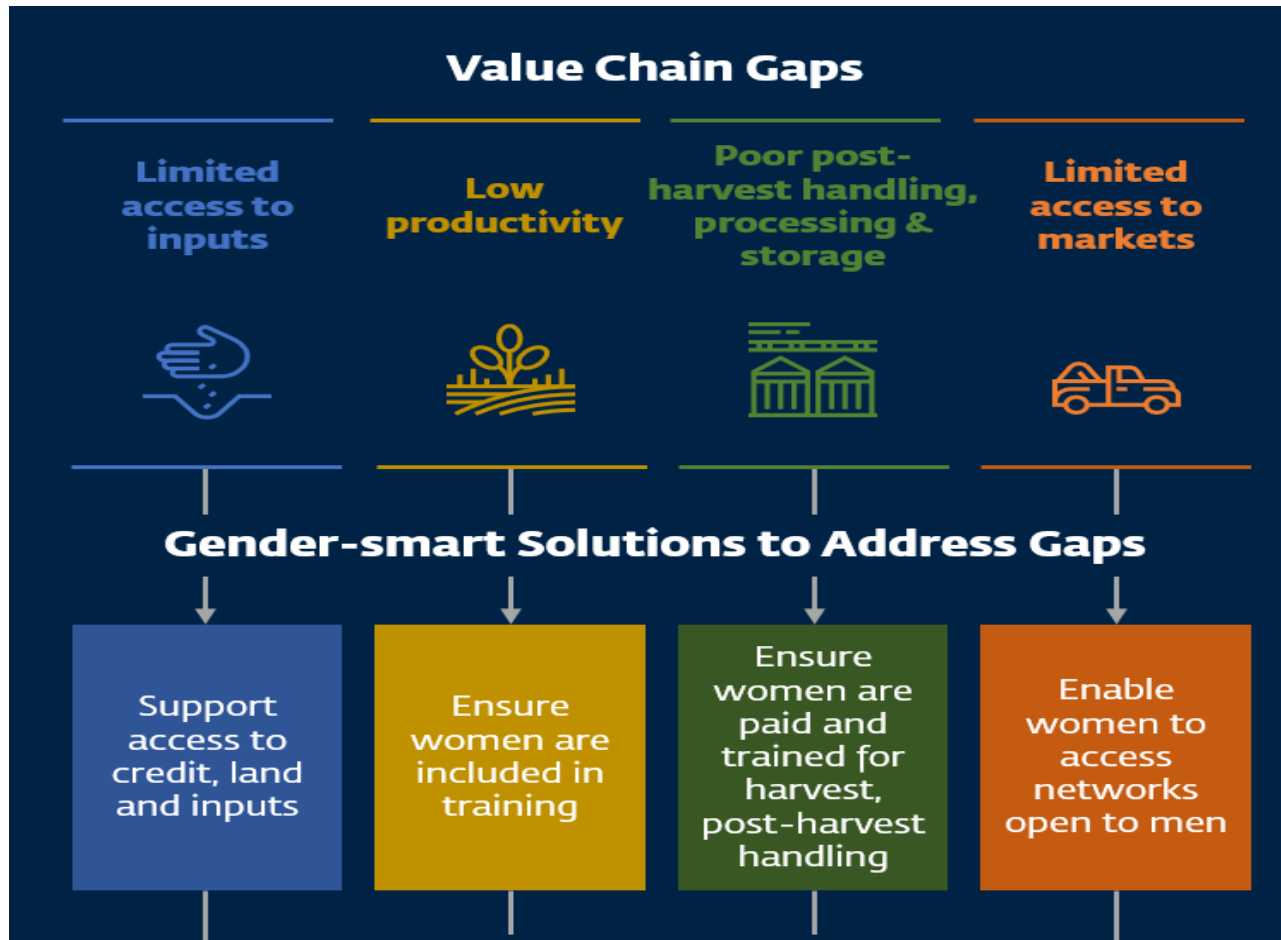
that inhibit women's ability to thrive socially and economically

1. Access to finance- collaterals limitation and high interest rates
2. Access to and control over Land
3. Lengthy process for registering business and opening of bank accounts
4. Access to training programs to improve entrepreneurial skills and financial literacy
5. Cultural biases and social norms
6. Time poverty and caretaking activities



WOMEN IN AGRIBUSINESS VALUE CHAINS

CHALLENGES AND SOLUTIONS



MSMES & WOMEN in GHANA

Reforms:

- In 2018, Ghana released its **National Financial Inclusion and Development Strategy: 2018-2023**. The goal of the program is to increase adult access to formal financial services to 85% by 2023.
- In 2020, Ghana was also one of the first countries to launch a **digital financial services policy** that is designed to serve as a blueprint for how Ghana can leverage digital finance to achieve its financial inclusion goals.
- March 2021, Bank of Ghana set up a gender-disaggregated data portal to collect data on a number of financial products and services, to close gender financial inclusion gap.

Source: <https://www.centralbanking.com/central-banks/financial-stability/financial-inclusion/7816896/bank-of-ghana-using-data-to-close-gender-financial-inclusion-gap>

WAGE- Women & Girls Empowered- Preliminary Gender And Inclusion Analysis For Ghana- February 2022

LET'S DEMYSTIFY COMMON MYTHS

ABOUT GENDER & FINANCE

1. Financial products are gender neutral; it doesn't matter if the customer is a man or a woman.

TRUE

FALSE

The answer is false, as women have specific needs and face different challenges than their male counterpart, so modifying existing products and service or developing innovative ones will lead to positive business impact.

Total time for activity: less than 1 minute

LET'S DEMYSTIFY COMMON MYTHS

ABOUT GENDER & FINANCE

2. Gender finance is about providing specialized products to women only.

TRUE

FALSE

Total time for activity: less than 1 minute

The answer is false, as FIs should have a holistic customer value proposition based on market research that attends to the needs and challenges of women. This requires addressing imbalances that exist and providing equal opportunities for both genders.

LET'S DEMYSTIFY COMMON MYTHS

ABOUT GENDER & FINANCE

3. Women-friendly products and services alienate male customers

TRUE

FALSE

Total time for activity: less than 1 minute

The answer is also false, as research shows across the different countries where Gender Finance programs have been developed and implemented, the male spending is not negatively impacted and what is women-friendly is considered every-body friendly.

LET'S DEMYSTIFY COMMON MYTHS

ABOUT GENDER & FINANCE

4. Since my portfolio is made up of more than 50% female customers, then I'm already applying gender finance, and I don't need to invest further.

TRUE

FALSE

The answer is also false, Gender Finance is much more...

Total time for activity: less than 1 minute

LET'S DEMYSTIFY COMMON MYTHS ABOUT GENDER & FINANCE

5. Investing in gender finance is time-consuming and costly and does not pay off.

TRUE

FALSE

Total time for activity: less than 1 minute

The answer is false.
Explanations on the following slides.

BANKING WOMEN CUSTOMERS

BUSINESS OPPORTUNITIES



Market share growth



Higher cross-selling and loyalty



Share of family wallet



Strong saving propensity



Diversified risk, potential lower defaults

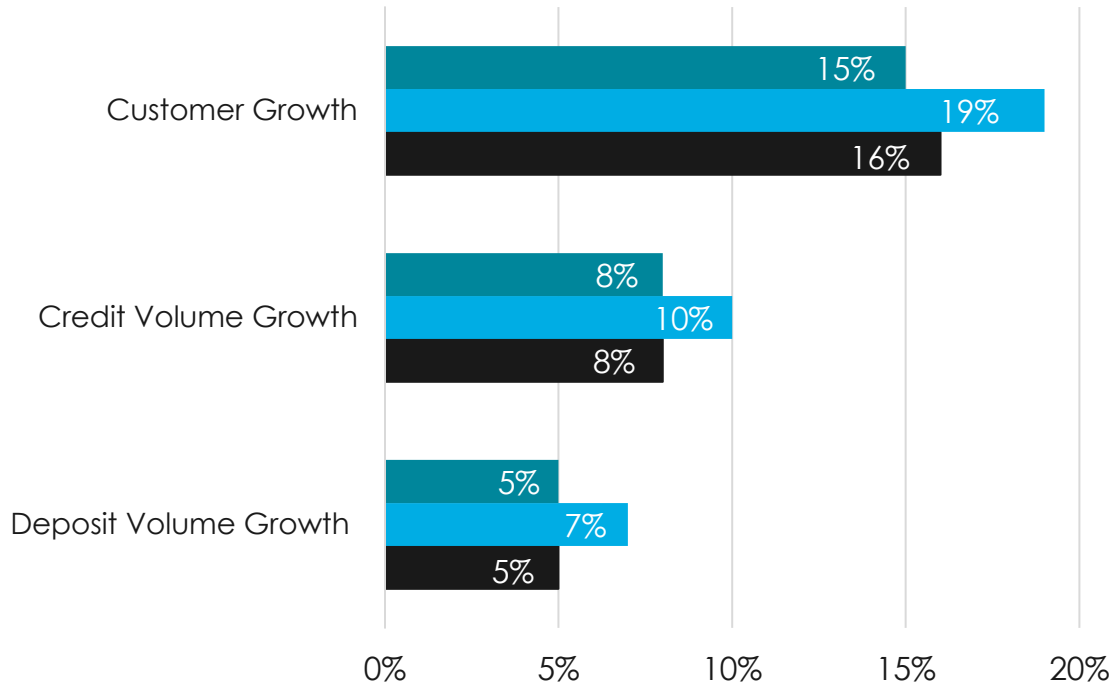
FIs who focus on women have found that women are a profitable market segment for them

WOMEN CUSTOMERS STRENGTHEN BANKS' KPIs

Women's growth outpaces market¹

YoY Growth Rates, 2016 - 2017

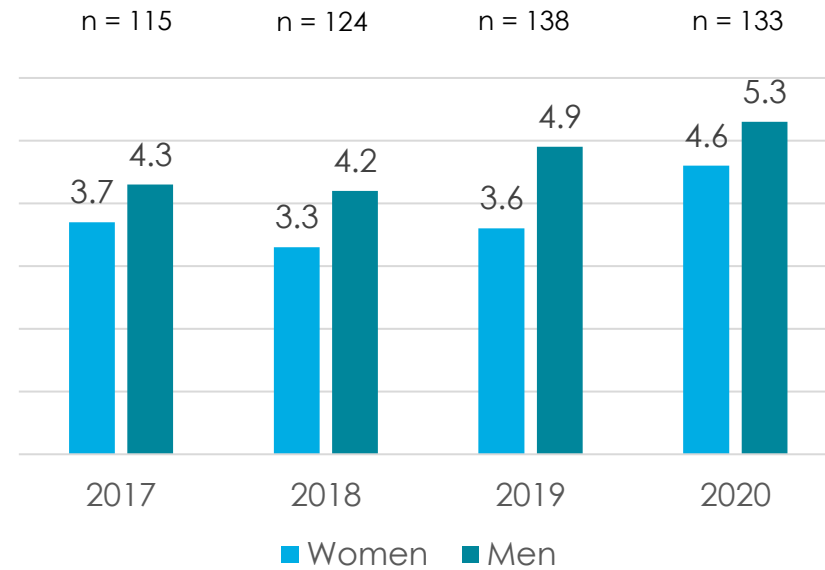
■ Men ■ Women ■ Total



And NPLs for women SME customers are lower

Women are prudent borrowers²

Non-Performing Loans in %



1 Source: Economics of Banking on Women, Financial Alliance for Women

2. Source: IFC research survey of financial institution clients globally:

https://www.ifc.org/wps/wcm/connect/0e657775-6e3f-4e1d-8b3e-00b529216282/Banking+on+Women_NPLBusinessCaseUpdate_2021_FINAL.pdf?MOD=AJPERES&CVID=nIzCu.z

2- GENDER INTELLIGENCE

WHAT IS IT?

APPLYING THE GENDER LENS



ABOUT GENDER INTELLIGENCE

It does not mean benefiting a single gender but creating benefits for both:

1. Understand the differences that exist between genders
2. Address the gender imbalances and provide equal opportunities
3. Giving each person what they need instead of giving the same to everyone
4. It is about allocating resources, programs, and decision making fairly to both men and women

The result would be a win-win-win-win:

for the people, the clients, the institution and the economy

GENDER INTELLIGENCE BENEFITS

DIVERSITY IN THE WORKPLACE LEADS TO:



Improved decision making and innovation



Relevant products & services



Balanced leadership and performance



Attract and retain a wider talent pool

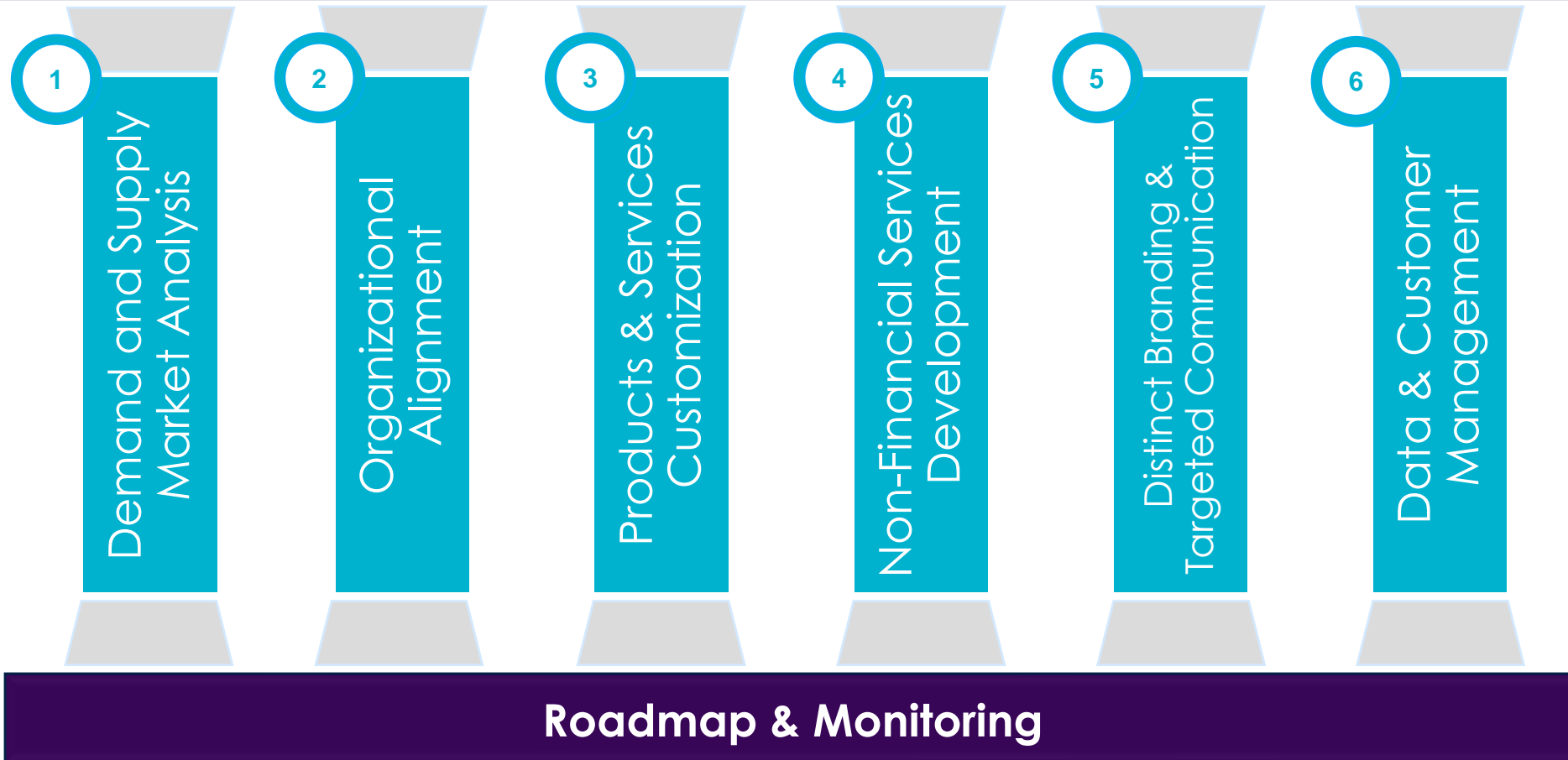


Greater financial performance

Gender Intelligence and Diversity in the workplace and marketplace impacts positively the bottom line

SIX KEY PILLARS TO APPLYING THE GENDER LENS

A HOLISTIC WOMEN MARKET VALUE PROPOSITION



3- GOOD PRACTICES OF FIs

WORLD BANK WEDP- ETHIOPIA

UNCDF- MYANMAR

WORLD BANK- ETHIOPIA (1/2)



WOMEN ENTREPRENEURSHIP DEVELOPMENT PROJECT

Women Customer-Centric Design



Focus on growth-oriented women entrepreneurs



Tech-based psychometrics credit score



Mindset-oriented trainings

Details of Approach

- 12 MFIs participated
- Developing **new loan products** and accepting **new forms of collateral** to secure loan, such as vehicles, personal guarantees, and business inventory
- **Shift to large individual-liability loans** from small group-based lending which significantly accelerates women's business growth in income and employment
- MFIs use a psychometric tool that evaluates the entrepreneur's personal attributes to determine eligibility for a loan and overcome barrier of collateral
- A combination of basic business skills training coupled with life skills and mindset shift trainings
- Trainees should have sufficient numeracy and literacy skills, be focused on business as a full-time activity, pay a commitment fee for the training and per diems are not provided.


WORLD BANK- ETHIOPIA (2/2)



WOMEN ENTREPRENEURSHIP DEVELOPMENT PROJECT

Women Customer-Centric Design

Details of Approach



Results (as of March 2019)

- **12,000** loans to women entrepreneurs
- **66%** were first-time borrowers
- **16,000** women trained
- **99.1%** loan repayment rate
- **870%** increase in average loan size to \$12,000
- **125%** value of collateral from loan value, a reduction from an average of 200%, with the adoption of improved loan appraisal techniques
- **41%** income growth and **56%** increase in employment of participating businesses

UNCDF- MYANMAR (1/2)

GENDER-SMART MICROFINANCE PRODUCT DEVELOPMENT

Women-centric product design

Details of Approach



Diversified Women Customer Segments

- Women micro-merchants,
- Women farmers,
- And women homebased workers



Recommendations

- Focus on financial autonomy
- Transition from group to individual loan
- Reduce requirements for accessing individual loans
- Build capacity and institutional alignment to offer enterprise loans
- Strengthen capacity in data analytics
- Promote financial and digital literacy
- Develop digital channels
- Test and tailor new gender-smart products

UNCDF- MYANMAR (2/2)

GENDER-SMART MICROFINANCE PRODUCT DEVELOPMENT

Women-centric product design

Details of Approach



Women challenges

- low digital literacy levels, lack of awareness of financial services, limited financial autonomy, complex loan applications and registration requirements, and mobility constraints



MFIs

- Launch an **awareness campaign** for women micro-merchants to graduate from group to individual loans
- **Provide detailed info** on individual loan offerings
- And **reduced business registration requirements** to be eligible for individual loans
- **Digitization of credit and loan repayments system** to allow women to repay using digital finance
- **Offer non-financial services** to enhance business performance such as **trainings** on financial literacy and,
- Linking local businesses to **digital marketplaces**

4- HOW TO LEAD GENDER FINANCE

APPROACH TO THE WOMEN MARKET

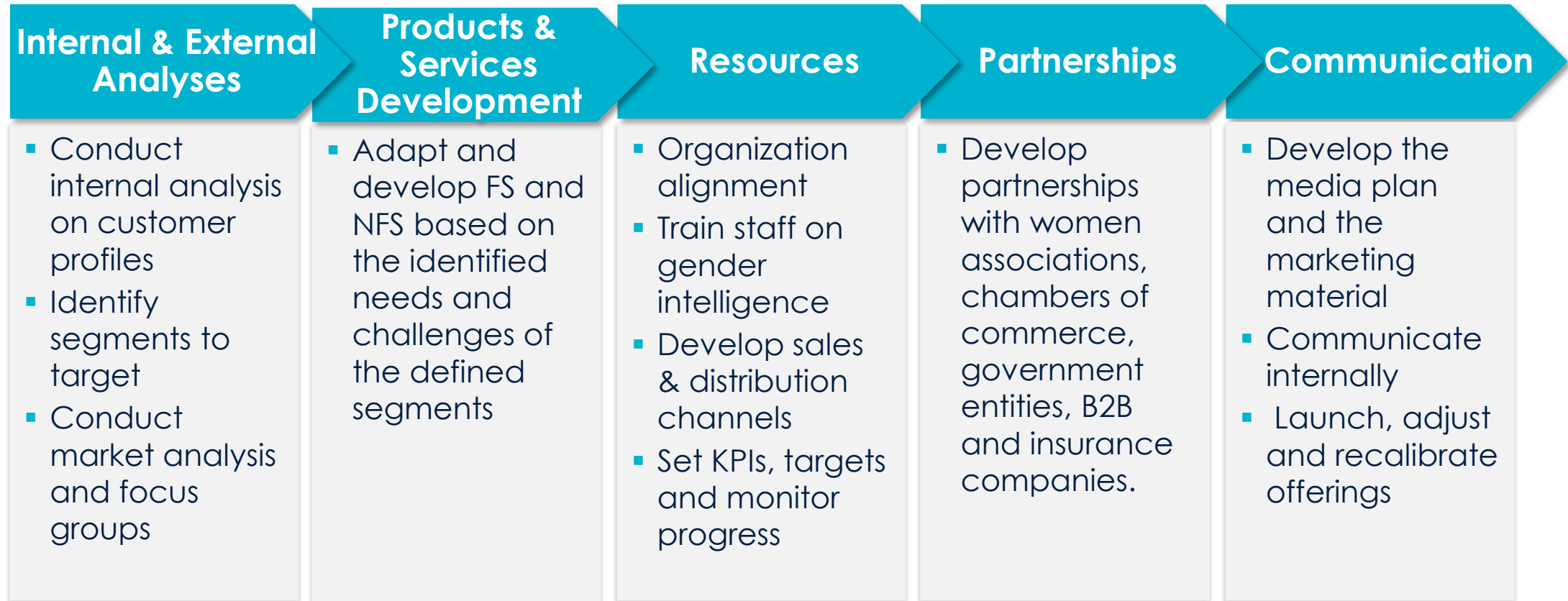
FS & NFS FOR WOMEN'S LIFE STAGES

Q & A



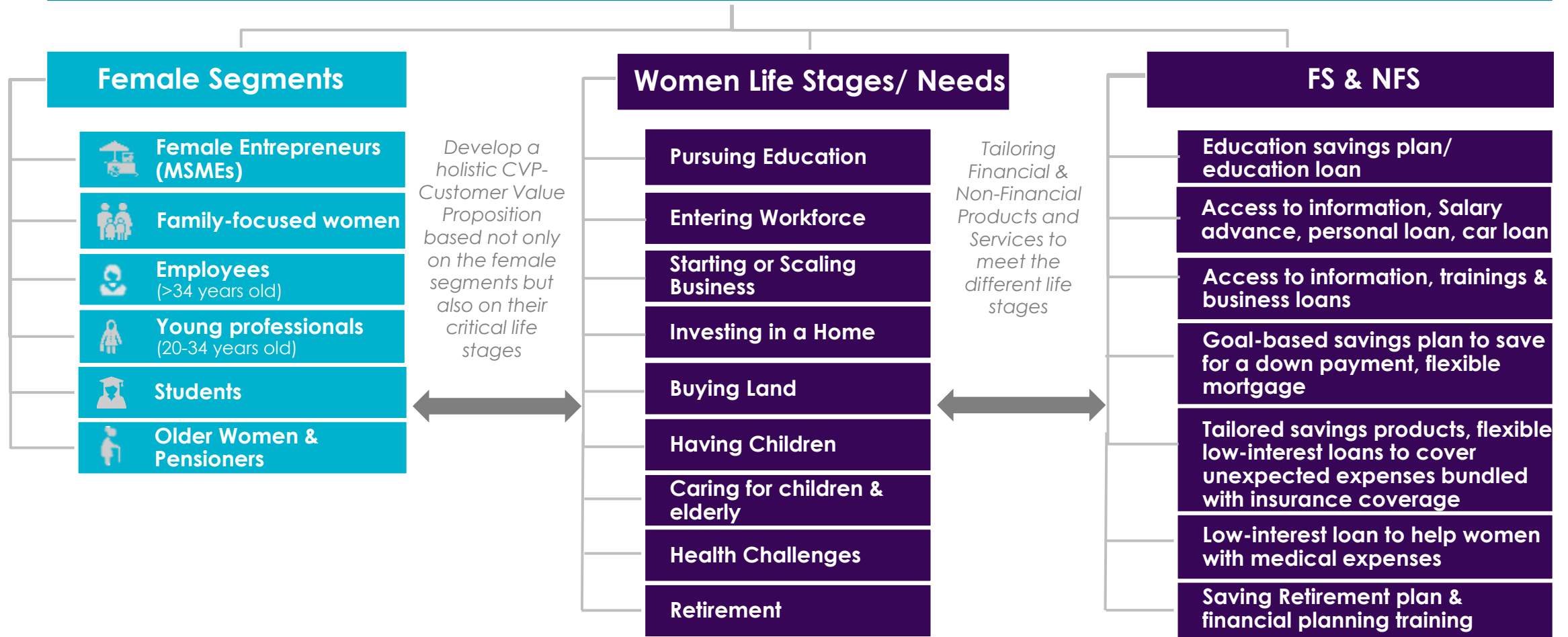
HOW TO APPROACH THE WOMEN MARKET?

GO-TO-MARKET FRAMEWORK








FS & NFS TO MEET THE NEEDS OF WOMEN'S LIFE STAGES

Women's Market



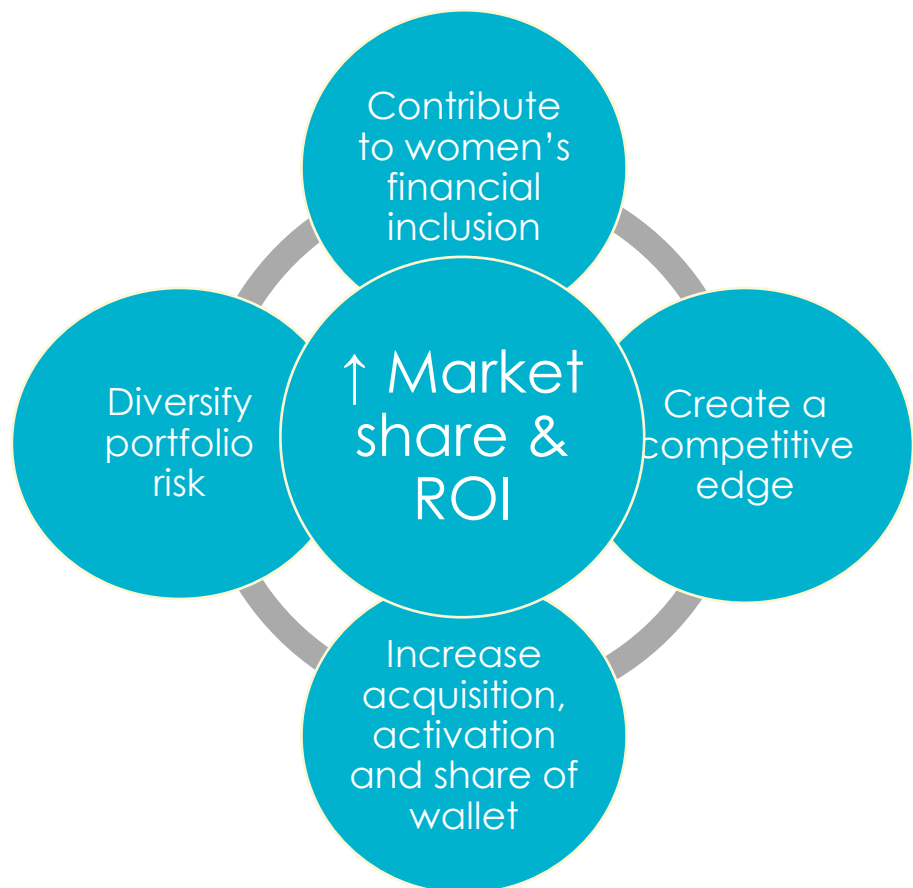
WHAT CAN NBFIs DO WITH LIMITED RESOURCES?

QUICK WINS RECOMMENDATIONS

	FOCUS AREA	Details of Approach
	Research	<ul style="list-style-type: none">▪ Conduct, internally, client interviews and facilitate focus group discussions▪ Do desk research to assess supply and demand▪ Mystery shopping on competitors
	Mobilize staff	<ul style="list-style-type: none">▪ Assign existing staff resources to handle the women segment from research, product development and testing to providing trainings on Financial literacy
	Partnerships to extend reach	<ul style="list-style-type: none">▪ B2B partnerships for consumer, MSME loans & insurance▪ Women Business Associations, NGOs, Government entities cost-sharing/ subsidy mechanism to facilitate access▪ Agent banking
	Streamlined digital process	<ul style="list-style-type: none">▪ More simplified processes▪ Improve TAT- loan disbursement▪ Reduce documentation requirements
	Marketing to women in low-cost media channels	<ul style="list-style-type: none">▪ Radio▪ Digital channels: google ads▪ Social media: WhatsApp, Facebook, YouTube

IN SUMMARY...

Why is it important to have gender finance?



90% women in informal labor force

46% women-owned businesses

\$6.1 billion estimated financing gap for MSMEs

8% gap between men and women with a Bank account

10% women borrow from FIs

3.7% Agriculture Bank loans

“There can be no Plan B because there is no planet B,” previous UN Secretary-General Ban Ki-moon



Gender Finance is a win-win-win situation, for the people, for the Financial Institution and for the Ghanaian economy

Upcoming Events

26-27 April	Credit Risk Management Workshop, Sunlodge Resort, Accra
5 May, 1:00	Problem Loans Webinar #1: <i>What's the current state in the industry, and how did we get here?</i>
24 May, 1:00	Problem Loans Webinar #2: <i>Strategies for controlling delinquencies and managing delinquency crises in smaller financial institutions</i>
26 May, 1:00	Problem Loans Webinar #3: <i>Strategies for controlling delinquencies and managing delinquency crises in larger financial institutions</i>
1 June, 1:00	Problem Loans Webinar #4: <i>Proactive Strategies to Prevent Future NPLs</i>



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ANNEX

JUANCHO TE PRESTA- COLOMBIA






IFC- KENYA

WMBL- PAPUA NEW GUINEA






JUANCHO TE PRESTA- A COLOMBIA-BASED FINTECH



GENDER-INTELLIGENT APPROACH TO DIGITAL LENDING





	Women Customer-Centric Design	Details of Approach
	Loans with a Purpose: Help women throughout their lives	<ul style="list-style-type: none">▪ Home renovation loan▪ Motorcycle or Bicycle loan to help mobility▪ Health insurance▪ Education Loan
	B2B partnerships: buy now pay later	<ul style="list-style-type: none">▪ Mobile phone and Computer Loans▪ Positive discrimination in loan pricing for women with discounts on second loan for good payers
	Streamlined digital process	<ul style="list-style-type: none">▪ More simplified processes▪ Fast TAT- loan disbursement in 24 hours▪ Low documentation requirements
	AI gender bio algorithms	<ul style="list-style-type: none">▪ Different metrics and variables for women than men to approve women in higher proportions
	Marketing to women on social media	<ul style="list-style-type: none">▪ Financial tips for women to help them manage their financials

SOLAR LIGHTING WOMEN ENTREPRENEURS

	Solutions to reach consumers at the bottom of the pyramid	Details of Approach
	Women inclusion in the solar energy value chain	<ul style="list-style-type: none">▪ Targeting women consumers and entrepreneur segments▪ Resulting in \$10/ month was saved by women consumers and reinvested in their families for better livelihood
	Challenges	<ul style="list-style-type: none">▪ Limited access to finance▪ Linkages with credible suppliers for last-mile entrepreneurs▪ Business management skills critical to running a sustainable energy business
	MFIs	<ul style="list-style-type: none">▪ Enhance market linkages▪ Provide financing to women consumers and entrepreneurs
	Training & Access to markets	<ul style="list-style-type: none">▪ Training and mentorship program for women entrepreneurs▪ Participation in exhibitions to meet and network with certified suppliers
	Podcasts to deliver tips on business management	<ul style="list-style-type: none">▪ Innovative approach to reach women entrepreneurs across the country

WOMEN'S MICRO BANK LTD (WMBL)- PAPUA NEW GUINEA

WBML AGENTS & BIOMETRICS

	Financial Service for women in local markets	Details of Approach
	Women inclusion in agriculture	<ul style="list-style-type: none">Targeting rural women farmers who produce lower value crops for sale on local markets, compared to men who produce cash crops for sale to off-takers and exporters
	Challenges	<ul style="list-style-type: none">Limited access to financeHolding large sums of cash is riskyLack of proximity of MFI branches in rural areasLow literacy rates of women and lack of formal identification
	A biometric-enabled solution	<ul style="list-style-type: none">In partnership with UNCDF, WMBL developed Mama Bank Access-Points (MAPs), a low-cost, biometric-enabled solution that allows market vendors to conduct banking transactions using their fingerprints at the market
	Results	<ul style="list-style-type: none">WMBL's active customer base increased from 8,000 in July 2018 to 35,000 customers in June 2021

Preliminary diagnostic on gender finance

What can the FI do to better engage on gender finance (leverage the FI strengths and address areas of improvement?)

Strategy	YES	NO	
Does your FI have a gender finance program?			
Does the program cover?			
1. All women segments			
2. Only women-in-business			
Did the FI conduct market research to identify challenges and needs of women in the market place?			
Does the FI have a comprehensive customer value proposition to provide solutions to the identified needs of the women segments?			
Does the FI collaborate or have partnerships with NGOs, companies, foundations to support women?			
Does the FI allocate resources to implement or scale gender finance program?			

HR	YES	NO	
Does the FI have a dedicated team within the organizational structure to handle the women segment?			
Does the FI undergo training programs on gender intelligence to create awareness?			
Does the FI have internal policies to enable women employees recruitment and retention?			
Does the FI provide equal opportunities to both genders for career progression, promotions and benefits?			
Is the FI recognized as a top employer of women in the market?			
Does the FI have specific leadership and development programs for females in senior positions?			

Preliminary diagnostic on gender finance

What can the FI do to better engage on gender finance (leverage the FI strengths and address areas of improvement?)

Products & Services	YES	NO	
Does the gender finance program include?			
1. Gender specific loan(s)			
2. Gender specific saving account			
3. Gender specific insurance products			
4. Digital solutions			
Does the FI offer non-financial services such as?			
1. Training			
2. Mentoring programs			
3. Networking events			
4. Online platform for information and tools			
5. E-commerce platform			
6. Business club			
7. Sponsor or organize an award ceremony for women entrepreneurs			
Does the FI have a gender specific pricing strategy, are women offered preferential or subsidized rates?			
Does the FI provide flexible loan repayment solutions? e.g. Differed payments during maternity leaves, lower loan payments based on seasonality, etc.....			
Does the FI have a high credit risk appetite and offer collateral free loans?			
Does the FI credit policy accept alternative assets for collateral such as jewelry or other movable assets?			
Does the FI have a fast credit study process?			

Preliminary diagnostic on gender finance

What can the FI do to better engage on gender finance (leverage the FI strengths and address areas of improvement?)

Distribution channels, Marketing and Communication	YES	NO
Does the FI perform specific marketing campaigns targeting women?		
What are the channels of communication used?		
1. Digital: website / social media		
2. TV		
3. Billboards		
4. Radio		
5. Press		
6. SMS		
7. In-branch branding including posters and flyers		
Does the FI have a dedicated sales force targeting women?		
Are there any targets set for women segments?		
Does the FI incentivize/reward the sales force for reaching the targets?		
Does the FI have a loyalty program for its customers?		
If yes, is there any customization for female customers?		

Data analytics	YES	NO
Does the FI have a gender tagging field in its IT system?		
Does the FI track, monitor and measure results by gender across all the KPIs? (Credit products, liability-based products, cross sell ratio, retention, attrition & activation rates and non-performing loans in the women portfolio compared to men)		
Does the FI have a profitability model in place?		
If yes, is the FI able to assess the relative profitability of women customers compared to men?		