

*GENDER-LENS FINANCE*  
*FEMALE FOCUSED BANKING*



I See Africa Report



*“Female empowerment and economic development are closely interrelated and the well-known ‘multiplier effect’ is often created when investment in female economic agency is made, benefiting both families and communities”*

Rebekah Yore – Rescue Global Academic Research  
Associate

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# INTRODUCTION TO GENDER-LENS FINANCE

Financial inclusion is simply defined as having access to affordable, meaningful financial services that enable one to participate in the economy. As highlighted in I See Africa's Fintech Africa report 2017, there is an estimated 1.2 billion adults without any form of financial service. These findings have led to various organisations striving to develop projects and business models aimed at making financial services more accessible by 2020.

As the goal for global financial inclusion is gradually achieved, the notion of inclusive finance has progressed from striving to cater to the underbanked/ unbanked demographic to providing gender- lens financial services and products. The progress of financial inclusion cannot simply be measured by the number of people with access to financial offerings. We are moving into a space where the continued success of innovative solutions for the unbanked consumer will be measured from a gender-lens prospective.

## INTRODUCTION TO GENDER-LENS FINANCE

The Gender-lens approach to inclusive finance aims to level out the gender gap between women and men with regards to access and user ability of banking services. The Gender -lens report aims to provide a holistic climate of financial accessibility for women in Africa while exploring various approaches, innovations and initiatives being created to curb the financial gender gap in the continent.

The United Nations Development Program(UNDP) states that sub-Saharan Africa is among the world's most unequal- gender regions. A report by the World Bank 2017 estimates that 35% of women have some form of access to formal financial service compared to 52% of men.



# INTRODUCTION TO GENDER-LENS FINANCE

The reason for the financial gender gap in the continent will vary from region to region, however some of the common points have been noted as:

- Illiteracy/ inability to use English language menus when working with fintech
- Financial illiteracy
- Lack of sufficient frameworks to promote women's inclusion in financial process
- Limited access to bank branches
- Legislation that prohibits or limits women's ability to control their finances. In Equatorial Guinea women require their husband's permission to sign contracts. While countries such as Chad and Niger do not allow married women to open a bank account without their husband's permission.

## INTRODUCTION TO GENDER-LENS FINANCE

Despite the listed hurdles, the conception of female financial inclusion has become one of the emerging priorities for financial service providers, governments and various start-ups. The UNDP has reported that the lack of female integration into national economies costs countries of sub-Saharan Africa a combined US \$95 billion in lost productivity annually. With the use of digital platforms, creative female focused services, organisations are working on reducing the gender financial gap. The drive to reducing the gender financial gap will result in progressive measures of meeting some of the UN's Sustainable Development Goals (SDG) namely:

- SDG1: Eliminate poverty
- SDG2: Achieving good health and well- being

- SDG3: Fostering quality education
- SDG4: Promote gender equality
- SDG5: Greater financial inclusion

A report by Mckinsey Global Institute estimates that US \$12 trillion would be added to the global annual gross domestic product (GDP) by 2025 by simply leveling the playing field between women and men at work. The Gender - lens report will unpack how various organisations are enabling the provision of financial services for women in Africa. While highlighting African countries taking the lead in developing the notion of gender -lens finance along with the formation of ventures that provide financial literacy to women in the continent.

# STATE FRONT-RUNNERS

The grand success of MPesa in Kenya has seen the country make great stride in the progression of inclusive finance. In 2017 Kenya was noted as the top country in a survey on financial and digital inclusion led by Booking report. Furthermore 75% of Kenyan adults have gained some form of a financial account with 71% of women owning the financial accounts. In 2016 a survey by FinAccess Household found that Kenya has achieved close to 50% increase of financial inclusion within a window of 10 years. Various states in Africa have since taken different routes to enable financial services for females.



# STATE FRONT-RUNNERS

## Zambia

46% of Zambian women do not form part of any banking system compared to the 38% of men in the country. Part of the financially excluded market are small farm holders. The AgriFin Accelerate program works as a bridge for female farm holders, this is achieved by connecting them with financial providers and stakeholders to assist in understanding the barriers and challenges that limit financial access to female farm holders.

The Zambian government is also receiving guidance and assistance from the World Bank to enhance financial inclusion through the Financial Inclusion Support Framework Country Support Program (CFISF – CSP).

Launched in 2017 the strategy is expected to reach several targets by 2022. The National financial inclusion strategy aims to increase formal financial inclusion in the country from 38% in 2017 to 70% by 2022.

## Ghana

In 2018 the Ghanaian bank received US \$30 million as part of the International Development Association Credit. The credit is expected to assist in strengthening the country's financial sector while assisting in making financial services more reachable to women, people living in rural communities and small farm holders.

# STATE FRONT-RUNNERS

The government aims to achieve this by supporting rural and community banks through the expansion of financial offerings to rural areas and underserved segments in the country.

Aside from African states developing initiatives to making financial services more available, some governments have removed or adjusted legislations that limited women independently gaining access to financial services. The World Bank Bennial Women in Business and Law report is used as a benchmark to observe legislative transformation for women. The document indicates the legal barriers women endure in work and business globally.

The report aims to highlight the gradual global transformation through scoring countries across seven categories that are making progressive change. African countries that have scored the most in 2018/19 are: Angola and Guinea with the introduction of laws that ban discrimination based on gender when retrieving financial services.

Other countries such as Democratic Republic of Congo have also been in the forefront of non-discriminative legislation. In 2016 the DRC established a family code policy which grants married women the right to take on work, open a bank account and register a business without permission from their husband.

*“We are committed to empowering women to their fullest potential. We aim to economically empower women with the right tools and knowledge needed to grow their businesses and offer opportunities for them to provide solutions to various consumers across the continent”*

Temitope Iluyemi – Director of Government relations  
Africa and P&G

# LEADING BANKS

In 2015 the Global Alliance for Women along with international and local financial institutions such as Diamond Bank PIC of Nigeria committed to making financial assistances accessible to 1.8 million previously unbanked women in South America and Africa by 2020. A number of financial organisations across the continent are developing offerings that aim to tap into the unbanked female market. Aside from the fintech disruptors, traditional banking institutions are taking a hand at making financial services widely available.

**Supa Women Club by Centenary Bank**  
Ugandan Centenary Bank has developed a female focused offering called Supa Women.

The account provides benefits such as:

- Business linkage support
- Access to financial literacy
- Individual life and medical insurance with discounted premium
- Receive loans up to USHS 1 million without collateral

The financial literacy offering combined with the provision of digital banking platforms has seen the bank train and engage with 20 000 women since the launch of the account.

# LEADING BANKS

## **Fanikisha by Equity bank**

Equity bank in Kenya has taken a segmented approach to offering women financial products and business training. The Fanikisha loan provides women with access to flexible collateral and repayment period, business training and advisory. Since the development of the Fanikisha loan the bank has disbursed over US \$363 million in loans to 338 000 women.

## **Beta Women**

Diamond bank in Nigeria worked with the Women's World Bank, UK government department for International Development and the Bill and Melinda Gates foundation to develop the Beta savings pilot project in 2017.

The six months pilot is estimated to have reached 38 600 low income shop keepers in Lagos with 40% of the new consumers being female. The project was centered on the basis of trust through the use of well-respected agents known as 'Beta friend's'. The agents visit women at their market stalls, the agent then assists the women in opening a bank account and help with transactions. This is achieved by simply entering the consumers personal details into a mobile app, take a photo and the account is opened. Consumers who have the Beta account do not pay any account fees or need to meet a minimum balance requirement.

# LEADING BANKS

## **Pafupi Savings – NBS Bank**

A partnership between the Women's World Bank and NBS Bank in Malawi saw the creation of Pafupi savings account, the account is targeted at the low income earning women in rural areas. Pafupi allows for small deposits, has zero monthly fees and functions with the use of agents in conveniently located rural shops. Even though the account was specifically designed for women, the bank has also attracted male consumers. Through the use of agent's consumers are able to open bank accounts or a group account that has a high female participation.

## **Women Entrepreneurship Development Project by The World Bank**

The Women's Entrepreneurship Development Project (WEDP) is an investment lending

operation which aims to reduce the financial gap in Ethiopia through increasing employment and earnings of SME's specifically founded by women. The WEDP created Ethiopia's first women – entrepreneur focused line of credit in 2013. Since then the credit line has disbursed an estimated US \$ 2 million loans to growth oriented female entrepreneurs every month. In 2018 the European Investment Bank (EIB) signed a loan with Ethiopian Ministry of finance and Economic Cooperation. The loan is aimed to assist in improving female economic inclusion and empowerment across the country. The EIB will provide 30-million-euro long term loan to Ethiopian WEDP.

**I See Africa Report**



## Jaiz Bank

In 2018 Nigerian bank Jaiz announced a shift in its requirements for opening a bank account. The bank has loosened its requirements for documents such as utility and identification bills. These will no longer be needed when opening an account with the bank. Jaiz launched the regulation change with a pilot phase in Katsina. With the use of agents, the bank will be able to assist female entrepreneurs.

*“We are not there to primarily get deposits but to empower women with small credit so that they will now in turn generate wealth. What we are trying to do at this stage is to empower these women’s lives both in the village and in the cities so that they can get some financing that they presently lack to develop their business”*

Mr. Hassan Usman – Director / Chef Executive Jaiz Bank Plc



# GENDER-LENS PROJECTS

Fintech has been able to disrupt and dismantle many traditional banking chains. In terms of Africa, the fintech sector is one of the industries gaining much attraction from international investors. In 2018 African start-ups raised a total US \$725.6 million across 458 deals as stated by Wee Tracker shows: 2018 Venture Investment Report. Among the startups to receive some of the top deals, five out of the top ten were in the fintech sector. The fintech sector accounted for 40% of total funding raised. One of the grand success cases of fintech in Africa is MPesa, the continued success of mobile money in Africa is one of the main initiatives to tackle the lack of financial access. Taking into account infrastructure in many countries in the continent, fintech cannot be the only answer to balancing the gender lens finance.

However, in countries such as Kenya, fintech has been able to provide necessary, new opportunities for women to gain access to financial services. Research by GSMA reported that as of 2016 there were over 277 million registered mobile money accounts. There are now 128 developments in 39 countries with 7 of those countries report that 40% of the adult population rely on mobile money on daily basis. The 7 countries are Kenya, Tanzania, Zimbabwe, Ghana, Uganda, Gabon and Namibia.

# PROJECTS: MOBILE BANKING

The use of mobile money in accordance to gender lens finance shows a big gap of mobile ownership between women and men. A 2018 report by Findex data and Mobile: Gender Gap found that women in sub-Saharan Africa are 14% less likely to own a mobile phone, 34% less likely to use mobile internet and 20% less likely to engage with mobile money.

While GSMA found that closing the gender gap of mobile ownership could lead to commercial opportunities that would contribute an estimated US \$ 140 billion in mobile industry revenue for operators by 2023.

This has led to major mobile operators working along with corporations to tap into the ‘unconnected female’ market. In 2017 Mobile 360 Africa saw the development of the Connect Women Commitment Initiative. Thirty-one operators including Safaricom Kenya, Orange from Cote d’Ivoire, Telenor from Pakistan and Vodacom joined GSMA operator in committing to connect over a million woman in low- and – middle income countries by 2020.

# PROJECTS: MOBILE BANKING

Aside from major operators working on reducing the mobile gender gap, new low cost digital platforms continue to emerge as a means to make finance service available.

## **Akaboxi Limited – Uganda**

Akaboxi provides rural communities with ways to monitoring and managing small farm holders savings. This is achieved with the use of a digital system.



# PROJECTS: MOBILE BANKING

## **Four One Financial Services Limited – Uganda**

The start-up offers micro-pension schemes, through the company's mayicard platform that provides access to healthcare insurance/prepayments and access to assets like land.

## **Koosmik Corp – Luxembourg**

Koosmik provides a mobile banking app to young unbanked population in Western Africa. Users get a free mobile wallet as a hub for services such as: cash deposits, withdrawal points, social credit and insurance.

## **M-Pawa – Tanzania**

Customers can open and use the Commercial Bank of Africa with just the use of a cellphone and registered Vodacom sim card. Shop Keepers who double up as agent's deposit consumers cash or collect their micro loans. According to the Center for Global Development reported that women with access to M-Pawa saved three times more money weekly than women with no access.

# PROJECTS: VENTURE FUNDS

The International Financial Corporation estimates that over 70% of female-owned SME's have inadequate or no access to financial services. Emerging investment funds are being developed to provide a boost to female founded businesses.

## Dazzle Angel

Launched in South Africa 2018, the angel fund aims to solve radical gender inequality in the early stage of investment management and development. The fund will invest in female founded or co-founded South African businesses.



# PROJECTS: VENTURE FUNDS

## SHE Trades

Created by the International Trade Centre (ITC) and GroFin. She Trades Invest aims to improve financial access to female entrepreneurs through training and investment networks. Launched in December 2018, She Trades is said to strengthen the financial and managerial capacity of female entrepreneurs. The first phase of the initiative will be available in Cote d'Ivoire, Egypt, Ghana, Iraq, Jordan, Kenya, Nigeria, Uganda, South Africa, Rwanda, Senegal, Tanzania and Zambia. There are plans for the expansion of the fund to other countries in the future.



# PROJECTS: FINANCIAL LITERACY

More initiatives are emerging that aim to provide basic financial literacy to the underbanked and unbanked demographic, such projects add to providing some form of financial access to the unbanked female consumer.

## **PM Skillhouse**

A South African based company provides financial literacy to the unbanked and underserved South African demographic. Founded by Portia Malatjie, the company gives people finance -know-how such as the compilation of a budget, the difference between needs and wants and tips on savings.



# PROJECTS: FINANCIAL LITERACY



## **Afrigrants Resources**

In 2018 Procter & Gamble collaborated with UN Entity for Gender Equality and the Empowerment of Women to train 250 women living in Kaduna state Nigeria. The financial literacy training lasted for three months. The training formed part of Procter & Gamble's efforts to promote financial inclusion for women, increase women's capacity in entrepreneurship and encourage business management culture among beneficiaries that were trained.

# IN CLOSING

The merge of fintech and human interaction will continue to be helpful in making financial services accessible to women especially those living in rural areas. By creating regulations that do not require formal documentation, fintech and banks would be able to reach the unbanked female consumer. This could be achieved through the use of social media data as covered in I See Africa's Mobile lending article. The offering of financial literacy brings great opportunities for banks, governments and organisations to provide some form of basic financial – know-how for young girls in schools, this planting a seed that would have young girls know the financial offerings as they grow up into professionals or entrepreneurial women.



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