

# Women as Builders of the Digital Economy



Unlocking Public and Private Finance for the Poor

## STRATEGIC NOTE

## Gender Equality, A Decade of Marginal Improvement

The *Mind the 100 Year Gap* report, released by the World Economic Forum<sup>1</sup> has determined that we are unlikely to see gender parity in our lifetime. In fact, it is likely to take at least 100 years for women to be on par with men in such areas as economic participation and opportunity, educational attainment, health and survival, and political empowerment. The UN agrees: when analyzing gender equality and women's economic empowerment—currently encapsulated under Sustainable Development Goal 5: *Achieve gender equality and empower women and girls*—the reality is that, despite seeing some improvement in relevant indicators, we simply have not seen much progress in the last 15 years.<sup>2</sup> Furthermore, the UN Secretary General's Digital Financing Task Force on the SDGs<sup>3</sup> warns us that without careful planning, market facilitation and interventions, the rise of digital economies can further deepen the digital divide, especially in the LDCs.

2020 is a pivotal year for global stakeholders who want to advance and accelerate women's economic

empowerment, which leads to the question, "Are we making the investments necessary to overcome existing barriers to equality, or are we allowing the forces of the 4<sup>th</sup> Industrial Revolution to exacerbate the gap between the "haves" and the "have-nots"?"

After an extensive listening tour of our country, regional and global stakeholders, UNCDF has chosen to focus its next five-year strategy on not only advancing digital financial inclusion in LDCs, but also advancing inclusive digital economies to ensure that digital services help every citizen—especially women—improve the quality of their lives by increasing access to critical services.

Women and girls are not just "beneficiaries" of programmes. They are agents of change who can be builders of the digital economy, with the ability to create a virtuous cycle of women's empowerment. Increasingly, it is clear to digital economy stakeholders that women often hold the key to sustainable business models – women often make

better digital finance agents (they are more profitable and attract a broader set of customers). Women are excellent entrepreneurs, supporting the growth of their families and their local economies. Every challenge to supporting inclusive digital economies require solutions that women are increasingly building. That is why UNCDF will partner with these women builders of digital economies, the public and private sectors, leveraging technology and innovation, to help increase : a) earn money; b) control their money; and c) have access to critical services specific to their country context (e.g., health, energy, etc).

5 GENDER EQUALITY

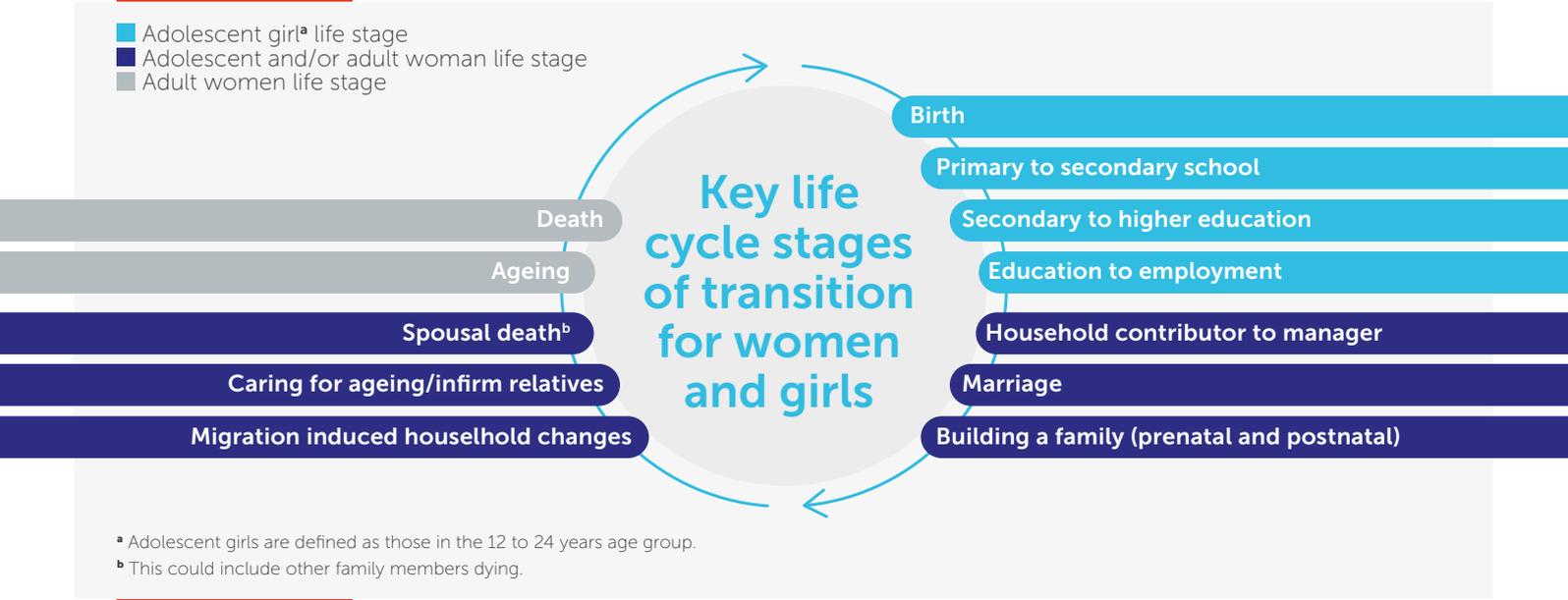


## A Woman's Life Cycle and Literacy needs

Women and girls have different needs at various stages in their life cycle, which can be addressed by different financial and non-financial services (see figure). At the same time, women experience distinct challenges than men when it comes to access and usage of these services, including challenges with basic, financial, and digital literacy. Increasingly, digital products have the ability to create sustainable business models that can address these life cycle challenges.

**Legend:**

- Adolescent girl<sup>a</sup> life stage
- Adolescent and/or adult woman life stage
- Adult women life stage



<sup>a</sup> Adolescent girls are defined as those in the 12 to 24 years age group.  
<sup>b</sup> This could include other family members dying.

**THE DIGITAL AND ENERGY DIVIDE REMAINS A GENDERED ONE:**



**MOST OF THE 3.9 BILLION PEOPLE**



who are offline and without energy access are in rural areas, **are poorer and less educated, and tend to be women and girls.**<sup>4</sup>



**1 IN 3 MARRIED WOMEN** from developing countries



**HAS NO CONTROL OVER HOUSEHOLD EXPENSES OR MAJOR PURCHASES.**

⦿ **The digital and energy divide remains a gendered one.**

Most of the 3.9 billion people who are offline and without energy access are in rural areas, are poorer and less educated, and tend to be women and girls. For most families living at or below the poverty line, phone ownership first goes to the husband, then the son, and only afterwards the wife. In addition, "Growth in women's mobile ownership has slowed considerably, which makes closure of the gender gap unlikely in the near future".<sup>5</sup>

⦿ **Women earn less money than men.**

"In developing countries where a large share of female employment is in the informal sector, the [gender pay] gap is larger in the bottom [lower-paid jobs]".<sup>6</sup> These differences in pay for the same work are further exacerbated by opportunity gaps, with women often encountering challenges to move to more senior roles.

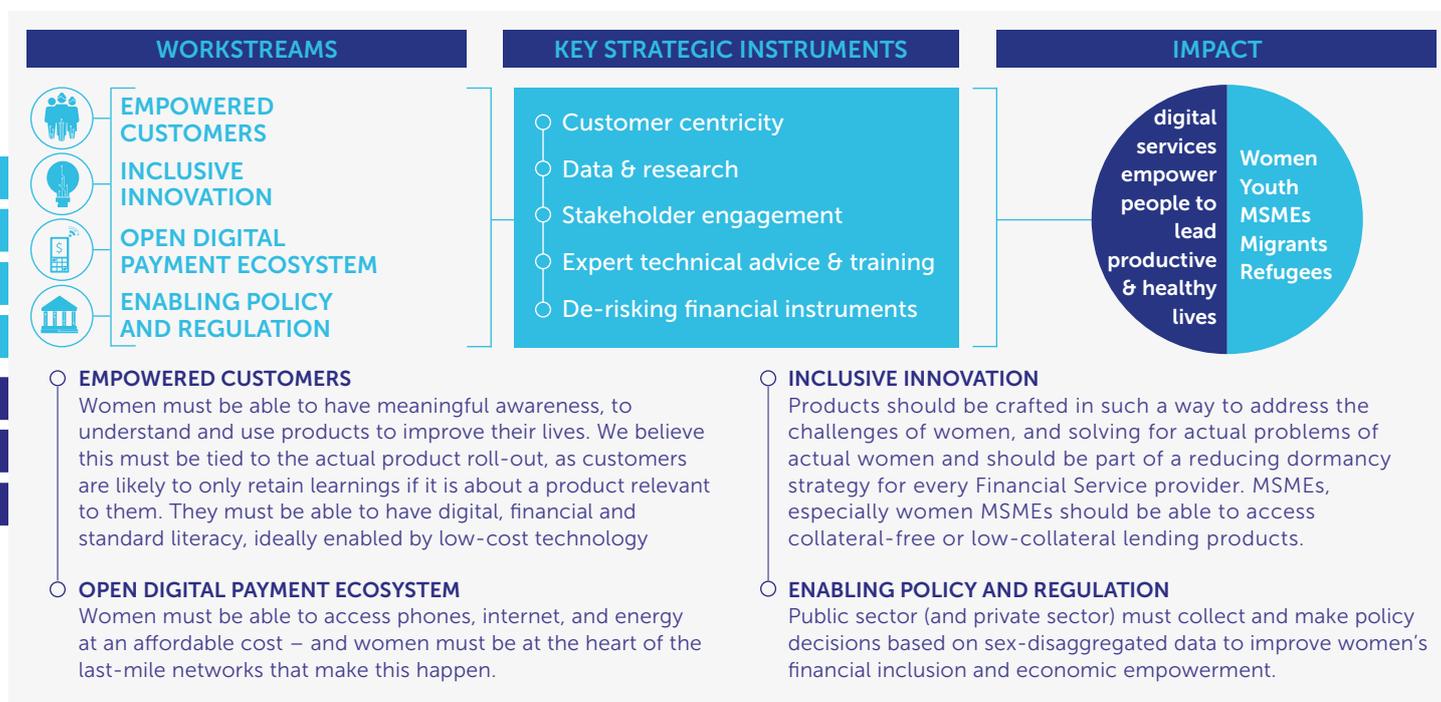
⦿ **Women control less money than men (even when they earn).**

"Money is the domain of men. Society does not view it as her role to earn money or her right to make financial decisions".<sup>7</sup> This is the reality on the ground for most women in the countries we work in. "One in three married women from developing countries has no control over household expenses or major purchases, and about one in 10 married women are not consulted on how their earnings are spent".<sup>8</sup> Women make up a much smaller proportion than men to have their own cash income from labour as a result of unequal division of paid and unpaid work. Inheritance laws and access to land or other assets in some regions make women's control over economic resources even more limiting.

**UNCDF, An Experienced Hand at Helping Women Earn and Control their Money**

Ultimately, we at UNCDF want more women in each of the LDCs we operate in to earn and control their money. We also want to ensure that women achieve their fullest potential as builders of inclusive digital economies.

The UNCDF strategy, Women as Builders of the Digital Economy, focuses on creating strategic partnerships at a global, regional and country level, and complementing them with market facilitation and deep technical assistance to affect change on the ground. It leverages our on-the-ground presence and relationships with ministries of finance, central banks, telecommunications regulators, other relevant policy makers, as well as the private sector (including banks, telecommunications companies, fintechs and micro-finance institutions) and civil society to remove the barriers to women's economic empowerment. We will do this by implementing a tailored strategy on a country-by-country basis integrated into existing work that will both remove barriers and accelerate increased access to critical services, ultimately increasing the number of women that earn and control their money.



## Digital is Our DNA, Women's Economic Empowerment is Our Heartbeat

Across the globe, in the last ten years, UNCDF has advanced women's economic empowerment, increasingly leveraging digital tools and stakeholders when appropriate. We have created diagnostics and critical research, levelling the playing field for relevant stakeholders, and helping them understand the challenges and opportunities of advancing women's financial inclusion. We have sat with women and their families, working to improve their financial and digital literacy. We have provided deep technical expertise to support human centric design of financial products for women and increased the number of women employees within financial service providers. Lastly, we have worked with governments across the globe on the collection and usage of sex-disaggregated data.

### Starting with a PoWER Diagnosis.

There was no comprehensive diagnostic tool to help assess the demand, supply and agency side challenges and opportunities for women and girls in a particular market. In 2017, UNCDF partnered with the Bill and Melinda Gates Foundation to design and implement the Participation of Women in the Economy Realized (PoWER) diagnostic. PoWER was implemented in Bangladesh, Ethiopia, Myanmar, Senegal, Tanzania, Solomon Islands and Papua New Guinea. In Myanmar, this diagnostic resulted in a partnership with DFID for funding a three-year project to increase awareness and usage of financial products of rural women living in conflict areas.

### Savings Groups Improving Literacy for Women Smallholder Farmers in Africa.

Alongside our partners, UNCDF has developed and built linkages with informal savings groups (SGs) in Africa, reaching 900,000 group members with formal financial services over the

past four years. In many instances, we utilized digital financial services and education to reach these groups, which are predominantly made up of rural women smallholder farmers.

### Sprint4Women in Zambia.

Despite being approximately 50 percent of the population in Zambia, digital financial service customers represent approximately 20 to 30 percent of the customer base. Using a competition model, UNCDF has received expressions of interest from 16 financial service providers and supported three finalists to test models in the field that are increasing the number of women customers. UNCDF experts provided deep technical assistance in design, digital finance and data analytics.

### Data and Regulation: Enabling WEE in Cambodia.

Working with the Central Bank of Cambodia as well as leading financial institutions in the country we studied financial service provider data and determined that, while access to financial

services looked to be equal, usage was not. Through data analytics, it was also determined that women have inactive savings. The Central Bank then increased the focus of the national financial inclusion strategy on mobilizing savings. In addition, UNCDF supported a FinTech challenge aiming to increase savings and payments for women.

### Innovative Financing increasing Women's Access in Papua New Guinea.

Partnering with Women's MicroBank Limited (WMBL), UNCDF provided a USD 244,000 loan to WMBL, which was then used to increase lending to microentrepreneurs, all of which were women. In addition, UNCDF provided technical assistance to support the creation of biometric enabled Mama Bank Access Points (MAPS). These MAPS allow for easier access to banking services and products, where only fingerprints are required to identify customers and process transactions, instead of cumbersome IDs and documentation.



## LEAVING NO ONE BEHIND IN THE DIGITAL ERA

The UNCDF strategy 'Leaving no one behind in the digital era' is based on over a decade of experience in digital finance in Africa, Asia and the Pacific. UNCDF recognizes that reaching the full potential of digital financial inclusion in support of the Sustainable Development Goals (SDGs) aligns with the vision of promoting digital economies that leave no one behind. The vision of UNCDF is to empower millions of people by 2024 to use services daily that leverage innovation and technology and contribute to the SDGs. UNCDF will apply a market development approach and continuously seek to address underlying market dysfunctions.

## THE UN CAPITAL DEVELOPMENT FUND

The UN Capital Development Fund (UNCDF) makes public and private finance work for the poor in the world's 47 least developed countries. With its capital mandate and instruments, UNCDF offers "last mile" finance models that unlock public and private resources, especially at the domestic level, to reduce poverty and support local economic development. UNCDF's financing models work through two channels: financial inclusion that expands the opportunities for individuals, households, and small businesses to participate in the local economy, providing them with the tools they need to climb out of poverty and manage their financial lives; and by showing how localized investments—through fiscal decentralization, innovative municipal finance, and structured project finance—can drive public and private funding that underpins local economic expansion and sustainable development. By strengthening how finance works for poor people at the household, small enterprise, and local infrastructure levels, UNCDF contributes to SDG 1 on eradicating poverty and SDG 17 on the means of implementation. By identifying those market segments where innovative financing models can have transformational impact in helping to reach the last mile and address exclusion and inequalities of access, UNCDF contributes to a number of different SDGs.

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<sup>1</sup> <https://www.weforum.org/reports/gender-gap-2020-report-100-years-pay-equality>

<sup>2</sup> <https://sustainabledevelopment.un.org/sdg5>

<sup>3</sup> <https://digitalfinancingtaskforce.org/pr-report/>

<sup>4</sup> Global Entrepreneurship Monitor (2017). GEM 2016/2017 Women's Entrepreneurship Report. <https://www.gemconsortium.org/report/49860>

<sup>5</sup> <https://www.gsma.com/mobilefordevelopment/wp-content/uploads/2020/02/GSMA-The-Mobile-Gender-Gap-Report-2020.pdf>

<sup>6</sup> <https://unstats.un.org/unsd/gender/chapter8/chapter8.html>

<sup>7</sup> IDEO.org+ Bill and Melinda Gates Foundation Women & Money report. [https://static1.squarespace.com/static/5d94e54cb06c703e5199d288/t/5ddd853c238a18316c54b560/1574798673537/Women\\_Money\\_Global\\_Report\\_11.26.pdf](https://static1.squarespace.com/static/5d94e54cb06c703e5199d288/t/5ddd853c238a18316c54b560/1574798673537/Women_Money_Global_Report_11.26.pdf)

<sup>8</sup> <https://unstats.un.org/unsd/gender/chapter8/chapter8.html>