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PoWER assessment of **Women's Economic Empowerment in The Gambia**

Financed by the European Union

Final Report / June 2019

This document presents the final analysis of data collected through desk research, interviews, focus group discussions, and surveys on women and girls' financial inclusion in The Gambia.

It provides the overall context of financial inclusion, demand-side analysis of women and girls' financial needs, an outlook on financial service provision to women and girls, key constraints in the enabling environment, and recommendations to improve financial inclusion.

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.

PoWER assessment of
Women's Economic Empowerment in The Gambia

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ABBREVIATIONS AND ACRONYMS

ATM	Automated Teller Machine
DFS	Digital Financial Services
EFTPOS	Electronic funds transfer at point of sale
FGM	Female Genital Mutilation
FSP	Financial Services Provider
GAWFA	Gambia Women's Finance Association
IMF	International Monetary Fund
JSF	Jobs, Skills, and Finance for Women and Youth program
KYC	Know-Your-Customer
MFI	Microfinance institution
MMO	Mobile Money Operator
MNO	Mobile Network Operator
MSME	Micro, Small, and Medium Enterprise
NACCUG	National Association of Cooperative Credit Unions of The Gambia
NBFI	Non-Banking Financial Institution
NGO	Non-Governmental Organization
SDF	Social Development Fund
SME	Small and Medium-sized Enterprise
UNCDF	United Nations Capital Development Fund
VISACA	Village Savings and Credit Association

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Financial services can improve the development of the private sector and help MSME growth, cover important health and social needs related to education and medical fees, and improve the welfare of those with lower incomes

EXECUTIVE SUMMARY

Following the momentum of recent political change and willingness of actors to engage in improving the financial services sector, The Gambia has an opportunity to increase financial inclusion as a means to address issues of poverty, gender equality, job creation and achieve its broader development goals.

The Central Bank of The Gambia aims to improve policy and regulation for the financial services sector.

Financial services can improve the development of the private sector and help MSME growth, cover important health and social needs related to education and medical fees, and improve the welfare of those with lower incomes. In The Gambia, where Human Development is ranked at 174[1] out of 189 countries and 49%[2] of the population lives below the national poverty line, financial inclusion can be an important tool to serving the needs of the vulnerable – who are most often unbanked. Yet, access to finance is low across the board, with only one in four people having access to formal financial services. Today, most Gambians rely on informal channels to access financial services, due to greater convenience and flexibility.

The Gambian government is working to increase inclusion to contribute to socioeconomic development. In addition to including targets in the National Development Plan related to gender equality and women's economic empowerment, the Central Bank of The Gambia is working towards the country's first National Financial Inclusion Strategy. The Central Bank aims to improve policy and regulation for the financial services sector. Significant progress has already been made on the reform agenda for 2019, with improvements to liquidity management, introduction of a flexible exchange rate policy, and improved operations. [3] Financial inclusion is one of the major tasks ahead.

The United Nations Capital Development Fund (UNCDF), in partnership with the Central Bank of The Gambia, aims to improve the availability and quality of data on financial inclusion to inform policy and programmatic solutions tailored to The Gambia's context.

To meet that objective, UNCDF conducted a study to assess the main opportunities and obstacles to economically empower women and girls, particularly in low income and rural segments. In addition to desk research and analysis of the demand for financial services, the study included field research with stakeholder interviews, a sample of 1,250 household surveys, and seven focus groups around the country. This report is the synthesis of the findings.

1 UNDP, Human Development Report, 2017
2 World Bank data, 2015
3 IMF, The Gambia Press Release, March 2019

KEY FINDINGS FROM THE REPORT

The report provides a deeper understanding of women and girls' financial inclusion and offers insights to empower key stakeholders to better address their financial needs.

The challenge of distance to branches must be surmounted to improve women's financial inclusion. Women have a very limited access to formal financial services. The available services and products do not reach women with lower education, lower incomes, or those living in rural areas. Physical distance is the primary barrier to accessing services and is unfortunately exacerbated by the limited mobility of women and the lack of digital finance solutions.

- **Women's overall participation rate in the workforce is lower than men, with 57% of women economically inactive. Women on average also earn US $700 less than men.** Sampled women have a lower participation in formal employment and more limited earning potential and access to assets. Women's overall participation rate in the workforce is lower than men, with 57% of women are economically inactive and women on average earn US $700 less than men.[4] Women reported lower education levels and lower awareness and understanding of financial products than men – 62% of Gambian women have no schooling compared to 49% of men[5] and adult female literacy is 34%.[6] Given the time allocated to taking care of the home and children, sampled women are more likely to be time poor and have limited mobility. A majority of Gambian women surveyed have children (66%) and primarily work in the home (54%). Furthermore, the responses from men on the survey demonstrated that gender norms and male influence contribute to limit women's access to financial services and agency. Over one-third of men surveyed (38%) think that husbands should control their wives' use of financial services.

Women, and particularly those with lower incomes, need services and products that are adapted to their spending habits. Women spend money on household expenses, school fees, and use their personal savings to invest in their businesses. There is a need for more products that are tailored to women's spending patterns and habits – perhaps linked to specific items (water pumps, furniture, etc.) in which women invest. There is also a strong need for financial literacy training to increase women's awareness and understanding of financial products. This can empower women with the knowledge of how to open an account and access services and give greater confidence in financial service providers.

- **The study studied human-centered design-inspired focus group discussions that identified five distinct profiles of women in The Gambia**. Women in the different profiles have different experiences that characterize their financial lifestyles and needs.

4 UNDP Database, 2018. Gross national income per capita for women is estimated at PPP$ 1,168 versus 1,870 for men.

5 World Bank, Gender Data portal, 2017

6 World Bank data, 2013. The adult male literacy rate is 51%.

These experiences are influenced by several social, economic, and psychological factors. Different experiences and challenges also lead to different levels of financial stability over the course of a lifetime. Women from all the profiles develop and adopt strategies or coping mechanisms to overcome their financial challenges, which include the use of both formal and informal financial products. The profiles in this study include:

In-school teenagers: Teenagers who are still in school and have limited economic activity, as most of their time is spent studying or in class.

Out-of-school teenagers: Out-of-school teenagers are mostly still unmarried and living with their families and contribute to the family's economic activities.

Business owners & entrepreneurs: Female business owners and entrepreneurs use their earnings to cover household expenses and to cover the working capital for their business expenses.

Farmers: Women farmers are primarily involved in production of rice and horticulture crops, and use their earnings to cover household expenses, school fees, or to contribute to their ossusu.

Employees: Employees are largely employed in the informal sector and are aware of formal financial services, but largely use informal channels for saving. Those employed in the formal sector are more likely to use formal institutions.

- **The study showed that women across different segments have common financial needs, but usage and agency differ depending on their socio-economic profile.** Overall, sampled women perceived themselves to have a sufficient level of agency on how they use financial services. The majority of women surveyed – between 75% and 90% – act as the sole decisionmaker on how to use their savings, loans, and remittances.[7] Women's main financial needs are related to everyday expenses, emergency expenses, and the need to invest in education for their children and (as applicable) growing their business activities. While 60% of surveyed women are involved in finding a new source of income for the household, 87% of surveyed women save to cover their living expenses. In the survey, 60% of women aged 36-45 have made payments in the last 12 months for school fees.[8] Though most of the women surveyed do not access loans from formal institutions, borrowing plays an important role to support women's investment in education and the growth of their businesses.

- **Several factors on the supply side limit women's financial inclusion – mostly related to the limited targeting of women by financial service providers.** There is very limited targeting at specific segments of women, who are often counted as SMEs or grouped together for product development. Most financial service providers do not use a client-centric product development process, so there are few products specifically tailored to women (especially for commercial banks).[9] Most financial service providers rely on brick and mortar branches in urban areas as the main delivery channel and there are not enough field officers or agents to reach underserved communities, and only a portion of those are women. Distance to bank branches is the most frequently cited barrier by respondents when asked about the main challenges to accessing savings products at formal financial institutions.[10]

7 Ibid.

8 UNCDF, PoWER Gambia Survey, 2019

9 UNCDF, PoWER Gambia Key Informant Interviews, 2019

10 UNCDF, PoWER Gambia Survey, 2019

RECOMMENDATIONS:

Based on the findings of the report, several recommendations were identified for stakeholders to take forward to drive progress on women and girls' financial inclusion in The Gambia.

On the demand side, there is a need to drive demand for financial services by increasing awareness and usage of products at scale via:

- **Financial literacy:** Actors should work to design and implement effective financial literacy programs, tailored to educate women and girls on financial products and services, financial management, and digital literacy in partnership with financial service providers, local incubators, associations and schools.
- **Community mobilization to increase awareness:** Actors can better support women's agency by working with community leaders to increase awareness of positive use cases of financial products, through work with existing structures.

On the supply side, actors should develop use cases and support pilot initiatives with financial services providers:

- **Business case for women's financial inclusion:** Actors that want to encourage greater supply of products can develop specific use cases that prove the business case for serving women and that include use cases that address challenges that women face in accessing formal financial services.
- **Introduction of new products:** Actors can set up pilot initiatives with financial service providers that result in tailored products that respond to the most critical needs of women. The initiatives could include 1) providing learning opportunities through business linkages with financial service providers or 2) technical assistance to better use data to serve clients.

- **Capacity building for financial service providers:** Financial service providers would benefit from technical assistance to help introduce new systems of tracking clients, facilitate and incentivize new product design tailored to women, and support marketing campaigns that are tailored to effectively communicate with the female audience.

In the enabling environment, there is a need to create opportunities for women's financial inclusion in the national financial inclusion strategy, support stakeholder coordination, and develop digital financial services:

- **Including women in the national financial inclusion strategy:** The regulatory environment is inadequate, as the national financial inclusion strategy has not yet been drafted. Stakeholders in the space should advocate for the creation of regulations conducive to women's financial inclusion to be included in the national financial inclusion strategy.
- **Improving financial infrastructure:** In the enabling environment, there is limited efficiency of the existing regulations, as the Credit Bureau and the Collateral Registry lack functionality, and the Central Bank can improve the execution of these resources to allow financial service providers to better establish debtor information.
- **Coordination between stakeholders:** Some of the constraints to women's financial inclusion will require the concerted efforts and collective action of several stakeholders to address. Actors can convene players and key stakeholders in the financial inclusion space to share knowledge and foster collaboration.
- **Digital financial services ecosystem:** The digital financial services space is nascent yet has the potential to drive women's financial inclusion at scale. Stakeholders should work to develop partnerships around digital finance, bringing together donors and implementors in the financial inclusion space.

CHAPTER

one

PoWER assessment of
Women's Economic Empowerment in The Gambia

Several national priorities and targeted objectives have been defined and are implemented under the supervision of the Office of the Vice President and the now-independent Ministry of Women Affairs

INTRODUCTION

CONTEXT

METHODOLOGY

1.1

CONTEXT

The United Nations Capital Development Fund (UNCDF), the UN's capital investment agency, has worked to drive inclusive finance and local development finance, with a focus on least-developed countries.

In The Gambia, with funding from the European Union, UNCDF has recently launched the Jobs, Skills, and Finance for Women and Youth program (JSF) that seeks to enable a local ecosystem where youth, women, local communities, small and medium enterprises become agents of change in a greener economy.[11]

Figure 1: Gender-related targets in the National Development Plan[12]

National Development Plan (NDP) - Key Outcomes & Results 2018-2021
"Empowering the Gambian Woman to realize her full potential"

	From	To
Enhance Women's Economic Empowerment		
▪ Increase the number of mainstreamed sector policies	4	16
▪ Decrease the proportion of female headed households below the poverty line	25%	22%
▪ Existence of an enterprise development fund		
Increase representation and participation of women in decision-making		
▪ Increase the proportion of seats held by women in national parliaments	10%	30%
▪ Increase the proportion of women holding ministerial positions	21%	30%
Reduce gender-based violence		
▪ Decrease the proportion of girls and women who have undergone FGM	76%	50%
▪ Decrease the proportion of women who are subjected to physical violence	41%	10%
▪ Existence of a center for survivors of domestic violence		

11 With support from the European Union, the program will support local authorities and communities to develop climate resilient investments that can create temporary jobs through cash for work models for 6,000 youth and women

12 The Gambia National Development Plan 2018-2021

These efforts are in line with broader government-led support for the promotion of women's economic empowerment.

The Government of The Gambia recognizes gender equality and women's empowerment as a key factor for the social and economic development of the country. National policies and measures aiming to promote gender equality have been implemented since the 80s.[13]

However, they were mostly limited and without strong results.

President Barrow has adopted an approach promoting women's economic empowerment, as stated in the National Development Plan 2018-2021.

Several national priorities and targeted objectives have been defined and are implemented under the supervision of the Office of the Vice President and the now-independent Ministry of Women Affairs. These include focus on serving women in the informal sector, putting in place social welfare mechanisms, and increasing access to finance for women-owned SMEs through a Women's Fund.

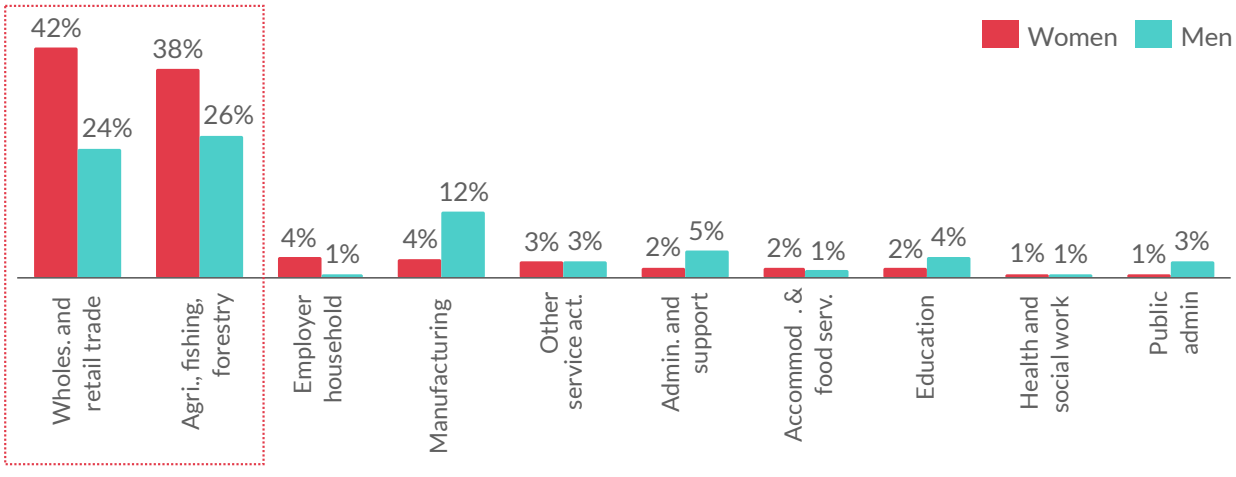
In the Gambia, women's economic empowerment can help bridge the gaps in education and access to resources faced by women and girls.

Women in The Gambia have a lower participation in formal employment and more limited earning potential and access to assets – just 39% of economically active women are formally employed.[14] Women's overall participation rate in the workforce is lower than men, with 57% of women economically inactive compared to 36% of men, of the female and male populations over 15 years of age.[15] Furthermore, gender norms and male influence contribute to limit women's access to financial services and agency.

Women have lower earning potential and primarily work in trade and agriculture, with 42% of economically active women working in wholesale and retail trade and 38% in agriculture.[16] In trade, the main activity is small scale trading, while the production and marketing of cereals (rice), fruits, vegetables, and groundnuts are predominant agricultural activities for women. Men are involved in a more diverse range of sectors: agriculture (26%), trade (24%), manufacturing (12%), construction (9%), transport and storage (7%), education (4%), and public administration (3%).[17] Because of the work opportunities available to them, women earn less than men. Women work predominantly in those activities requiring low levels of skill and capital, accounting for 70% of unskilled laborers.[18] Overall, women earn less than men with a gross national income per capita estimated at PPP$ 1,168 for women versus 1,870 for men.[19]

13 Under the regime of Yahya Jammeh, laws were introduced against Female Genital Mutilation (2015) and child marriage (2016)
14 Gambia Bureau of Statistics, Labor Force Survey, 2018
15 Ibid.
16 Gambia Bureau of Statistics, The Gambia Labor Force Survey – 2013
17 Ibid.
18 African Development Bank, African Economic Outlook Country Note, 2018
19 UNDP Database, 2018

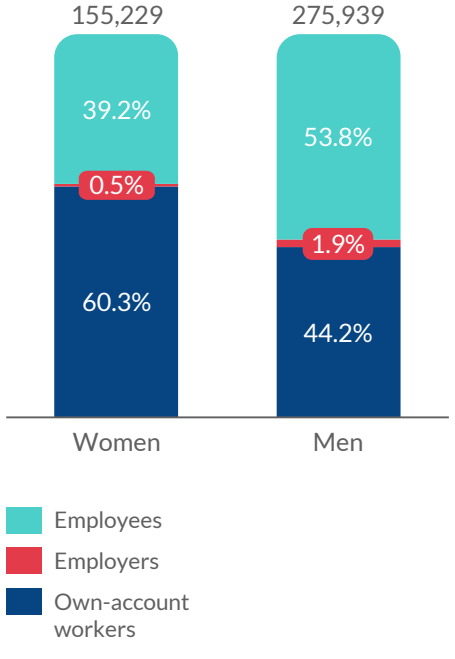
Figure 2: Employment by sector and gender[20]



The vast majority (74%) of women work in the informal sector, due to limited access to education and skills.[22]

Employment opportunities in the formal sector are particularly unfavorable to women due to low levels of education - 62% of women have no schooling compared to 49% of men[23] and adult female literacy is 34%.[24] As a result, they have less access than men to paid employment – 39% of active women are paid employees versus 54% of men.[25]

Figure 3: Employment status by gender, 2018[21]



The Gambia is a patriarchal society characterized by important gender inequalities impeding women's empowerment.

Ranked 120 out of 149 in the World Economic Forum's Gender Gap Index,[26] The Gambia is also among the five least performing low-income countries from Sub-Saharan Africa.[27]

20 Ibid.

21 Gambia Bureau of Statistics, The Gambia Labor Force Survey – 2018

22 Ibid.

23 World Bank, Gender Data portal, 2017

24 World Bank data, 2013. The adult male literacy rate is 51%.

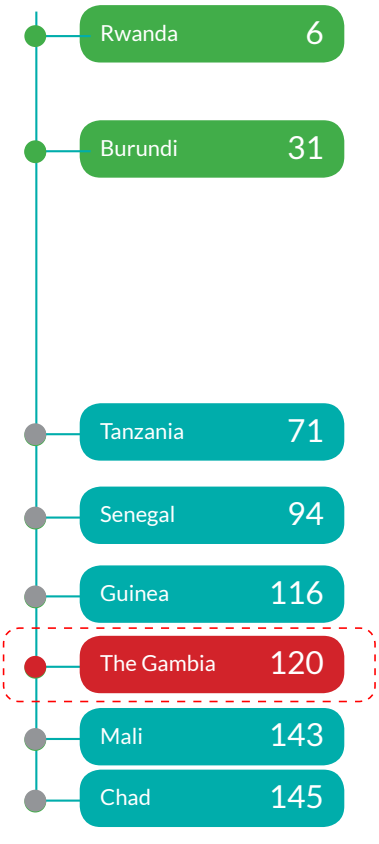
25 Gambia Bureau of Statistics, The Gambia Labor Force Survey – 2018

26 World Economic Forum, 2018, The Global Gender Gap Report – Focus on 8 low-income countries in Africa

27 The index considers four dimensions: i) Economic participation and opportunity, ii) Educational attainment, iii) Health and survival, and iv) Political empowerment. Based on regional comparison, The Gambia records a significant gender gap on the dimension "Economic participation and opportunity"

Figure 4: Ranking of selected countries on the Global Gender Gap Index[28]

WEF Global Gender Gap ranking with a focus on a selection of low income countries from SSA, 2018



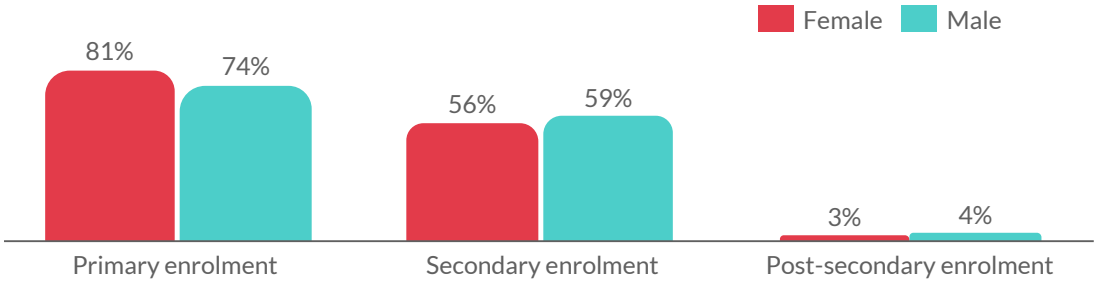
Many social, economic, and cultural factors contribute to gender inequalities and limit women's socioeconomic development. Among other constraints, Gambian women have limited access to education, family planning, property and assets, work opportunities and face male dominance in the social, economic and political spheres.

> **"Our societal structures affect women's socioeconomic development because of the simple fact that they have to always be submissive to their husbands."**
> - Alhagie, PoWER focus group participant

Legal regulations and customary rules restrict women's access to and control over assets that can be accepted as collateral, such as land. Customary laws, under which women borrow from their husbands, families, or other members of the village, still limit women's access to land.[29] There are no laws that prevent women from choosing their domicile, but under customary and religious practice, a woman's domicile depends on her husband's wishes.[30] Women are less likely to have land titled under their name, even when their families own land, and are less likely than men to have control over land.

Despite some progress on education, there is still a gender gap. The mean years of schooling are 2.9 years for women versus 4.3 for men.[31] Gender parity exists at the primary level, but inequality persists at secondary, tertiary, and vocational levels, where men are 71% of all enrolments.[32] Although there is a policy of free education, the reality is that there are still significant costs that deter parents from paying school fees and cause pupils to drop out.

Figure 5: Enrolment in education, by gender[33]



28 WEF, 2018, The Global Gender Gap Report – Focus on 8 low income countries from SSA
29 FAO, Online gender and land rights database
30 OECD, Social Institutions & Gender Index – Gambia
31 UNDP Database - UNESCO, Institute for Statistics, 2018 / UNDESA, 2018
32 OECD, Social Institutions & Gender Index – Gambia
33 UNESCO UIS, 2016

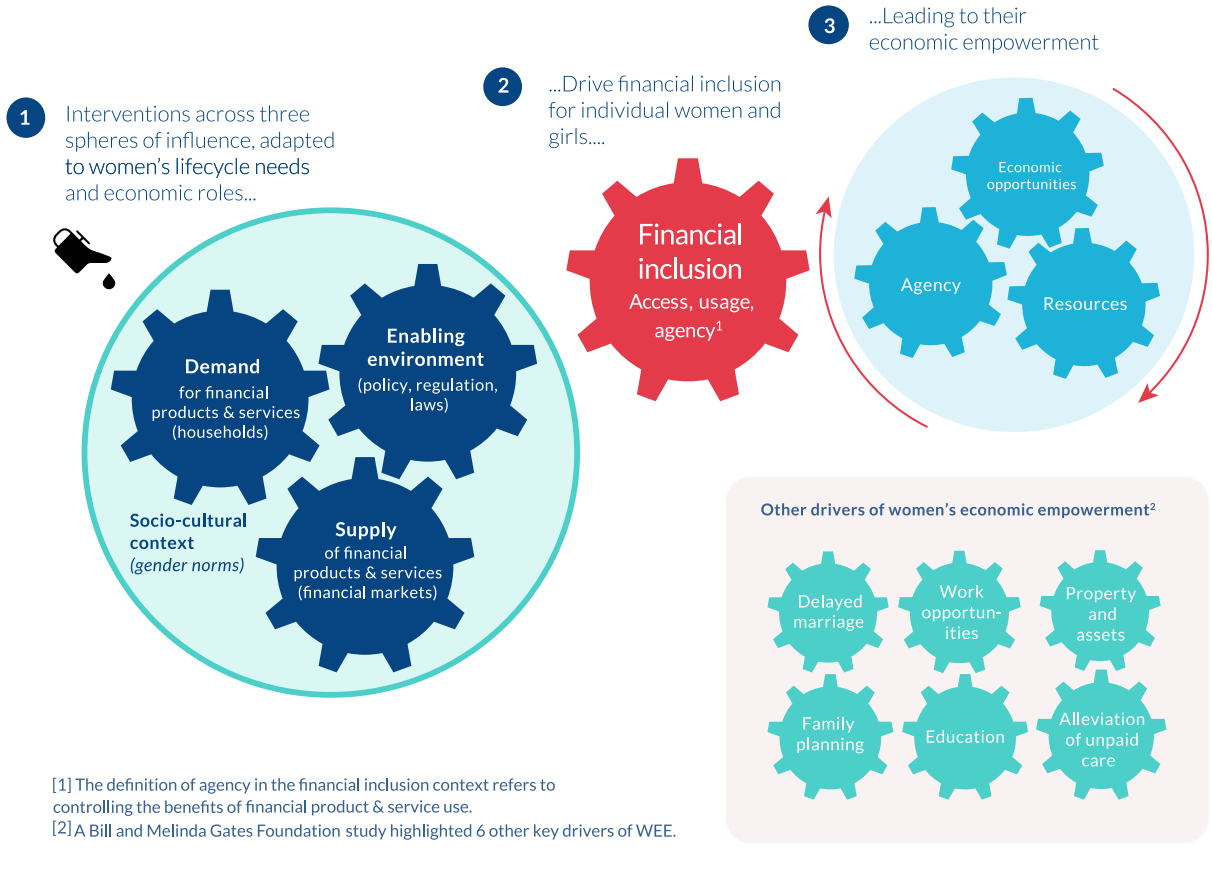
UNCDF commissioned a PoWER (Participation of Women in the Economy Realized) diagnostic for The Gambia. The results of PoWER are translated into a strategy to drive women's and girls' economic empowerment through improving their access to, usage of and agency over financial services.

UNCDF has previously carried out multi-country assessments to gain a deeper understanding of the constraints that women and girls face in Bangladesh, Ethiopia, Myanmar, Senegal and Tanzania. The PoWER country assessment toolkit and reports are available as a public good to deepen understanding of these constraints.

Country assessments are based on the PoWER analytical framework of supply, demand, and enabling environment of the financial services sector.

According to the PoWER framework, the combination of supply of financial products and services as determined by functional financial markets, the demand for financial products and services by households, the enabling environment including policy, regulation and laws, and socio-cultural factors such as gender norms can affect whether women are financially included. Financial inclusion is achieved when all individuals and businesses have access to and can effectively use a broad range of adapted financial services that are provided responsibly, and at reasonable cost, by sustainable institutions in a well-regulated environment.[34] The three critical components to consider when measuring financial inclusion are access, usage, and agency. Based on this framework (illustrated in Figure 6), a set of tools was developed by UNCDF to conduct comprehensive diagnostics of women and girls' financial inclusion in different countries.

Figure 6: PoWER framework



[1] The definition of agency in the financial inclusion context refers to controlling the benefits of financial product & service use.
[2] A Bill and Melinda Gates Foundation study highlighted 6 other key drivers of WEE.

34 Definition of financial inclusion used in the PoWER framework

To this end, the objectives of the PoWER diagnostic are to:

- Advance gender sensitive financial products and services and supporting non-financial services through innovation funding, advocacy, convening, capacity building and research to incentivize collection and use of sex-disaggregated data by financial service providers
- Advance a gender sensitive enabling legal, policy and regulatory environment for financial inclusion through advocacy, convening and capacity building to address barriers and facilitate reforms
- Enhance women and girls' capabilities, voice and demand for finance through advocacy, convening, capacity building and research by fostering innovative new partnerships for non-financial service delivery to account for their lower capabilities and confidence

This document presents the results of UNCDF's PoWER country diagnostic in The Gambia, and will contribute to the efforts to improve the awareness, access, use, and control over financial products and services made available by a diverse set of service providers in a well-regulated environment. The outcome of the analysis is a set of recommendations for actors in The Gambia to take forward and outlines the strategy of UNCDF to address the gender gap to access and use financial services within the framework of the JSF programme.

REPORT STRUCTURE

The report is structured into six sections.

Section 1 covers the context, including the key macro-trends of demographics in The Gambia and the role of women in society and methodology.

Section 2 covers the demand-side analysis of the key constraints and enablers of women and girls' access, usage and control over products and services.

Section 3 reviews the supply-side constraints and enablers of financial service providers to provide products and services to women.

Section 4 provides an overview of the enabling environment and the key activities and ecosystem constraints faced by stakeholders in the space.

The final section, **Section 5** reviews the recommendations of the study based on the constraints and stakeholder analysis.

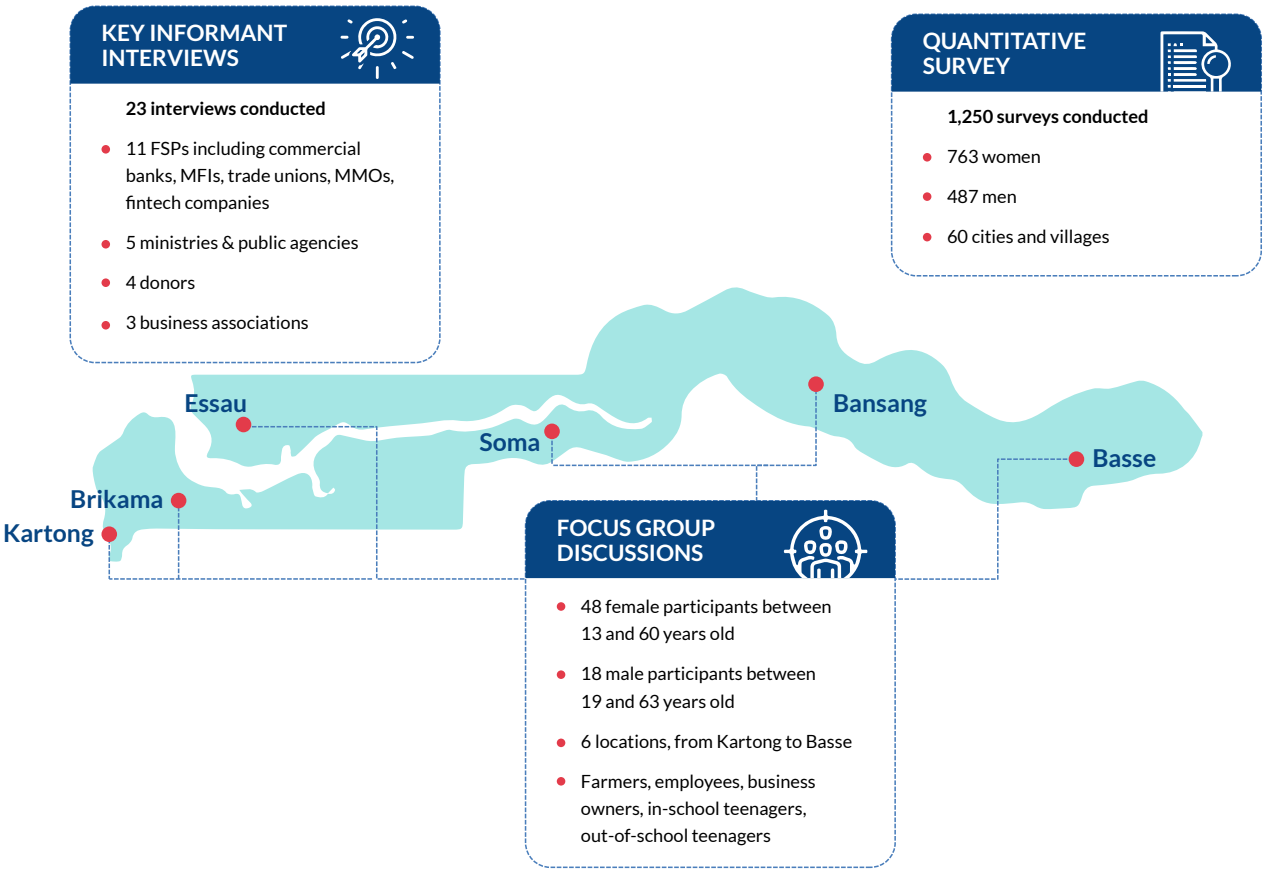
1.2

METHODOLOGY

The PoWER toolkit and methodology for this study consists of four components: desk research guides, focus group discussion guides, key informant interview guides, and a structured quantitative survey questionnaire.

In The Gambia, all four tools were applied with the aim to build a broad and mixed evidence base of key trends. The report brings together evidence collected from applying the toolkit, including desk research, 23 key informant interviews, seven focus group discussions, and a survey of 1,250 men, women, and girls.

Figure 7: Overview of field research



Desk Research:

Existing data and public information to understand constraints and enablers collected from country-level research and datasets by international and local financial inclusion actors.

Key informant interviews:

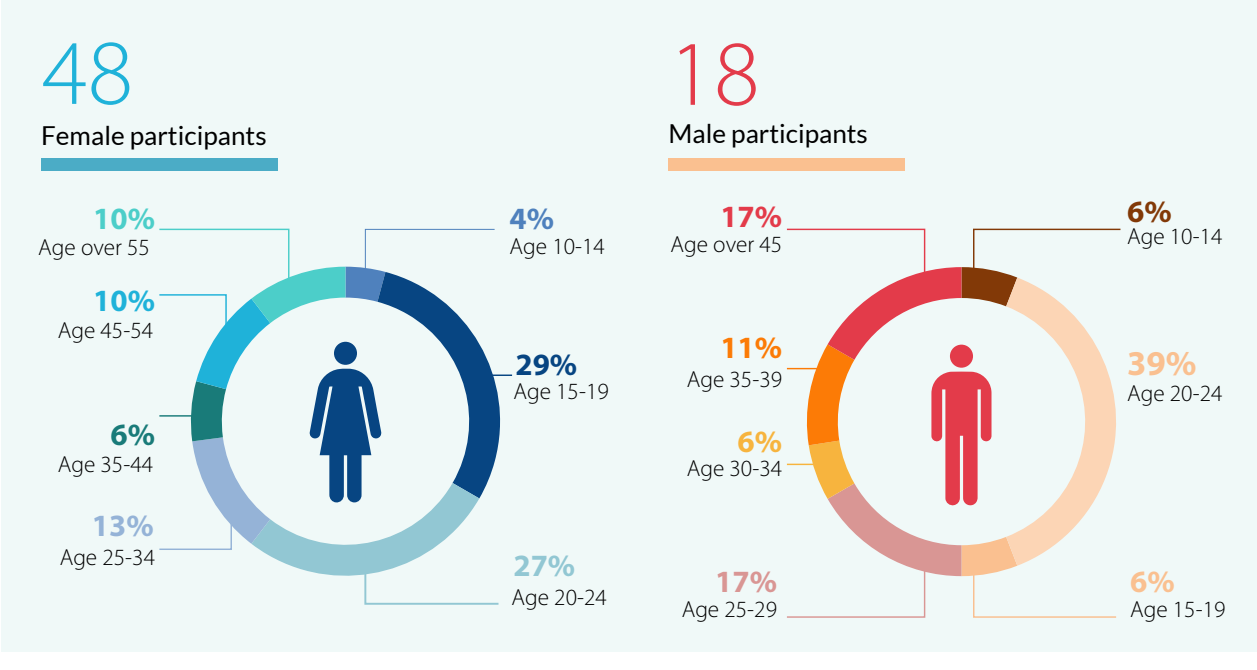
23 interviews to validate desk research findings with financial services providers, government, civil society and industry associations.

Human Centered Design-Inspired focus group discussions:

Qualitative research to identify needs, barriers and motivations of women and girls to include their voices in the research. The focus groups included discussion of the participants' aspirations and key financial goals for the future, financial challenges at key life stages, and their awareness, access, and usage of different financial products and barriers that limit usage of financial products. This study included five focus group discussions with women farmers, SME owners and employers, employees and adolescent girls and two male focus groups. The focus groups engaged a total of 48 female participants and 18 male participants, as shown in Figure 8.

The participants have diverse demographic characteristics in terms of age, occupation, geography, marital status, and education level, to get a broad range of experiences.

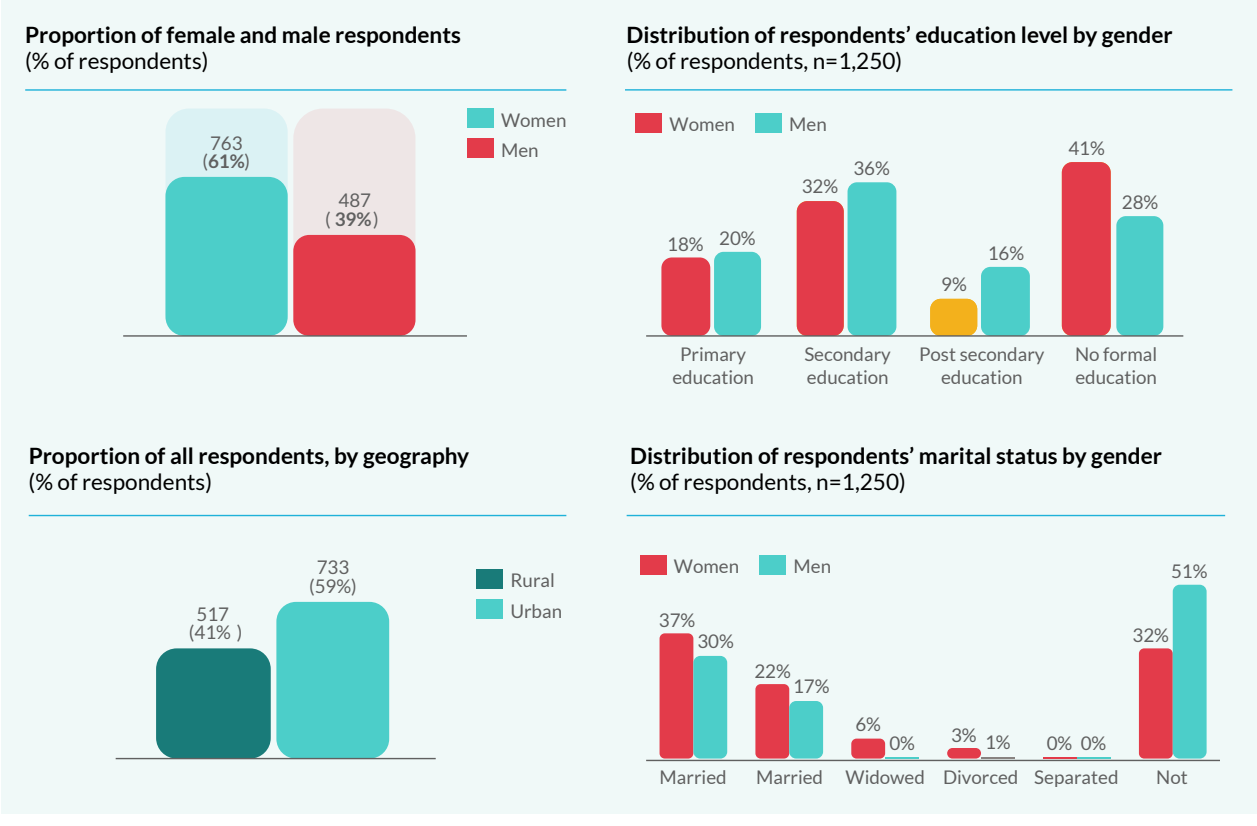
Figure 8: Breakdown of focus group participants



Quantitative Survey:

Primary quantitative survey to analyze responses from men, women, and girls to understand key trends in the data. The sample size for the survey was 1,250 total, consisting of 763 surveys with female respondents and 487 male respondents.

Figure 9: Demographic profile of survey participants



While this study is comprehensive in its coverage of topics related to financial inclusion for women and girls, the data and secondary research has limitations. Though the study includes a quantitative survey with clusters distributed to be proportionate to the population by geography, the sample sizes are not nationally representative. The focus group discussions were limited in their geographic coverage, and provide, some, but non-definitive insights into key segments of women.

CHAPTER

two

PoWER assessment of
Women's Economic Empowerment in The Gambia

In this section and throughout the subsequent sections of the report, data gathered from the 1,250 household surveys is analyzed to provide a comprehensive overview of women and girls' financial inclusion.

ASSESMENT OF DEMAND FOR FINANCIAL SERVICES

FINANCIAL INCLUSION IN THE GAMBIA

WOMEN AND GIRLS' ACCESS TO FINANCIAL INCLUSION

USAGE AND AGENCY

AGENCY

PROFILES OF WOMEN

2.1

FINANCIAL INCLUSION IN THE GAMBIA

Gambians mostly rely on informal channels to access financial services.

Access to savings and loans through relatives, ***ossusu***, or other informal channels is still predominant. Informal channels are preferred due to their convenience, proximity, and flexibility. Family members and savings groups are the most commonly used channels by Gambians to access financial services, with respectively 27% and 24% of respondents that frequently or periodically uses these channels.[39] Of those surveyed, 15% of women and 12% of men who do not save through formal institutions opt for savings groups because of their convenience, while 12% of women and 5% of men opt for savings groups because of their flexibility.[40] According to the survey, only 14% of rural dwellers have access to formal financial services compared to 26% of urban dwellers – a 12-point difference in access.[41]

39 UNCDF, PoWER Gambia Survey, 2019

40 Ibid.

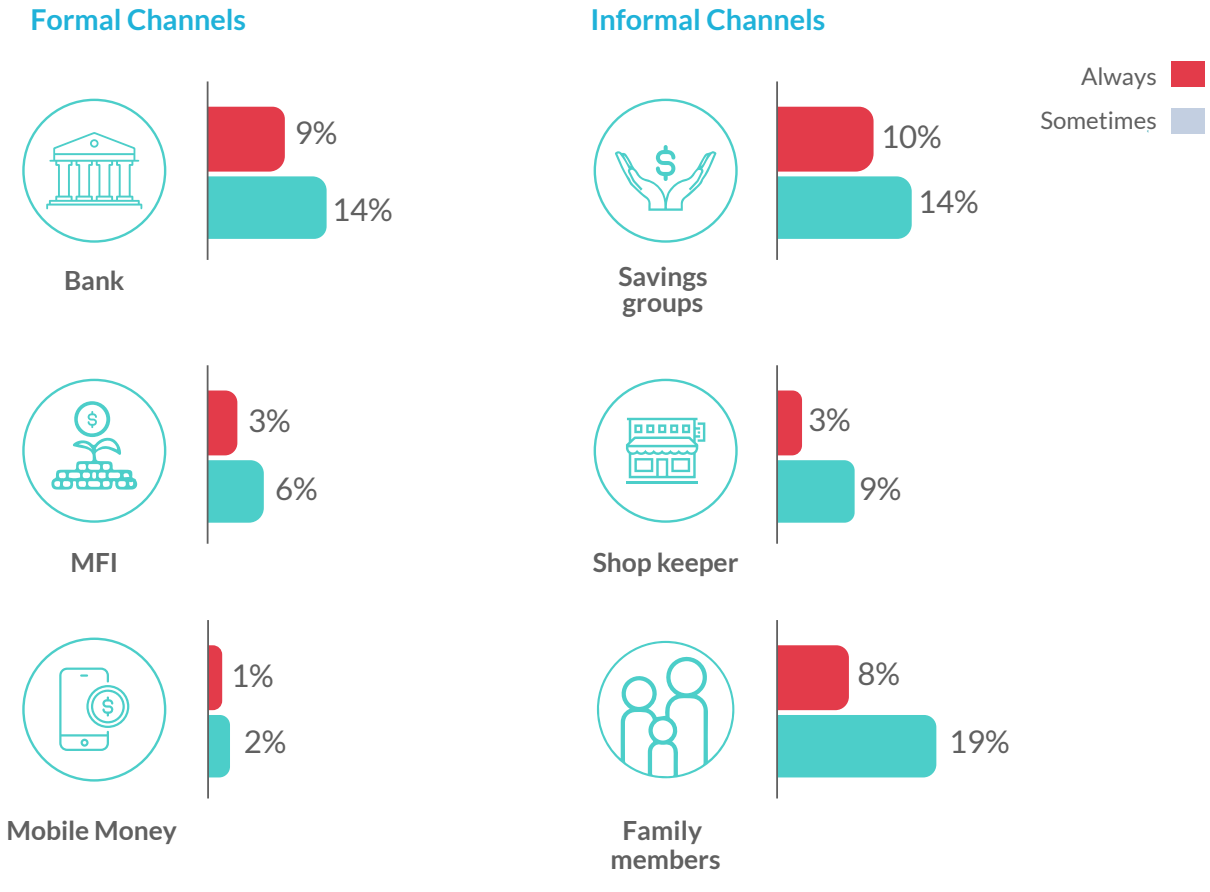
41 UNCDF, PoWER Gambia Survey, 2019

Ossusu

The ossusu are rotating communal savings associations into which members contribute a set sum of money each week that is then allocated to one person to use as they wish. This is then repeated until each member collects. The ossusu is the most common informal financial services in The Gambia, as cited by key stakeholders. They are preferred due to their convenience (no need for documentation and easy process to join), lower cost, and the element of group solidarity. These groups are preferred by different segments of women, usually those who are older (aged 35+) and and engaged in revenue-generating activities.

Example: Nyima, one of the focus group participants, was not interested in banking and puts the money earned from selling wonjo and bissap juice to contribute to the ossusu and hopes to purchase a refrigerator when it is her turn to take from the pot.

Figure 10: Women's access to different financial institutions[42]



...only 2% of women in the study owned a means of transport versus 58% of men

Bank branches are the main access channel to financial services, which is a main barrier to access for people in rural areas, as bank branches are concentrated in urban areas. Distance to bank branches is the most frequently cited barrier by respondents when asked about the main challenges to accessing savings products at formal financial institutions – more so than not being able to meet minimum balance requirements. Distance to bank branches is more of an impediment for women than for men, as women have lower mobility, more responsibilities for caring for children, and lack means of transportation – only 2% of women in the study owned a means of transport versus 58% of men.[43]

Fatou, a PoWER focus group participant has never used any conventional financial tools but will sometimes borrow groceries from shopkeepers because it is convenient, and she is afraid that repayment of large loans from people or institutions might be challenging. "Shopkeepers are very flexible so it's much easier taking credit from them. It is easy and convenient, and I trust he would not run away with my money."

42 UNCDF, PoWER Gambia Survey, 2019

43 Ibid.

Launched, in 2016, mobile money is still very nascent with only 2% of respondents using mobile money services compared to 79% who own or have access to a phone.[44]

In comparison, more than 30% of the population use mobile money accounts in countries such as Ghana, Côte d'Ivoire or Senegal.[45] Low adoption of digital financial services is driven by lack of awareness. Of those surveyed, 51% of women and 37% of men do not know about mobile money accounts. A further 25% of sampled women and 19% of sampled men also think they do not have enough money to use these services.[46]

Though access is constrained for both men and women, the gender gap in financial inclusion is likely to be higher than in other countries in Sub-Saharan Africa.

A gender gap of 9 percentage points on average is observed in countries from the benchmark.[47] The PoWER survey recorded a gender gap of 15 percentage points in The Gambia.[48] This significant gap is largely driven by the fact that commercial banks have only recently started to target individuals, whereas they were historically focused on corporate banking business. The gap is also driven by the relatively slow progress of mobile money in The Gambia, compared to other countries in Sub-Saharan Africa, where mobile money has driven broader access and usage of financial services among women.

44 Ibid.

45 Global Findex Database, 2017

46 UNCDF, PoWER Gambia Survey, 2019

47 Global Findex Database, 2017

48 UNCDF, PoWER Gambia Survey, 2019. Noting that the PoWER survey is not nationally representative, so can only provide an indication of the relative gap.

2.2

WOMEN AND GIRLS' ACCESS TO FINANCIAL SERVICES

Figure 11: Demographic trends of account ownership at banks[49]

Women average account ownership: 15% | **Men average account ownership: 30%**

FORMAL

62%

Of women who are formally employed own a bank account, versus 8% of the informally employed and 26% of the self-employed

EDUCATED

57%

Of women with post secondary education own a bank account compared to 6-8% of those with primary or no formal education

URBAN

20%

Of women living in urban areas own a bank account, compared to just 9% of women in rural areas

Overall, women and young people have a limited access to formal banks.

In the PoWER survey, average account ownership of women stands at 15%. Men aged between 26 and 55 have the most access to banks, with 51% owning a bank account.[50] Men in this age group are three times more likely to own an account than the average Gambian woman.

49 Ibid.
*The sample size for separated women in the survey was very small (n=3), so further study would need to confirm this trend.

50 UNCDF, PoWER The Gambia Survey, 2019

Access to banks is correlated with several socioeconomic factors. The individual's economic situation, and more specifically, their employment status is the key driver to owning a bank account, as well as education and geography. Women who are formally employed represent the bulk of women with access to formal banks, as they tend to be more educated, live in urban areas, and receive regular salaries. In the PoWER survey, 62% of women who are formally employed own a bank account compared to 8% of the informally employed. Level of education also affects access, as 57% of surveyed women with post-secondary education own a bank account compared to just 6-8% of those with primary or no formal education. Geography is also important for access: one in five surveyed women in urban areas owns a bank account (20%) compared to just one in ten women in rural areas (9%).[51]

Marriage has opposite trends for men and women. Account ownership is higher among married men and divorced or separated women. According to the PoWER survey, Respectively 43% and 42% of men married in monogamous and polygamous marriages own a bank account compared to 33% of divorced men. Account ownership increases for surveyed women who are divorced (23%) or separated (33%) compared to those who are in a monogamous marriage (17%) or a polygamous marriage (16%), which could be linked to these women having a greater need for financial security or financial independence from family.[52]

Figure 12: Demographic trends of women using MFIs[53]

Average number of women using MFI: 13% | Average number of men using MFI: 8%

SELF EMPLOYED

27%

Of women who are self-employed use MFIs, versus 9% and 20% respectively of the informally and formally employed

AGE 36-55

23%

Of women between 36 and 55 use MFIs, versus 8% for women aged 21-25 years

RURAL

15%

Of women living in rural areas own an account with an MFI, versus 11% of women in urban areas

Across the sample, fewer people access microfinance institutions (MFIs) than commercial banks. An average of 13% of women and 8% of men access MFIs.[54] MFIs are relatively new to the ecosystem and are still building their client base. MFIs have roughly similar coverage over key

51 Ibid.
52 Ibid.
53 Ibid.
54 UNCDF, PoWER Gambia Survey, 2019.

segments of women as commercial banks. In the PoWER survey, 27% of self-employed women and 9% of informally employed women use MFIs compared to 26% and 8% respectively who access commercial banks.[55] These categories of the population traditionally have limited access to formal financial services as they predominantly work in the informal sector and in rural areas, and in The Gambia they are also under-served by MFIs.

However, compared to the commercial banks, MFIs are more accessible to rural women. Of surveyed women, 15% living in rural areas own an account with an MFI compared to 11% of surveyed women in urban areas and the 9% of surveyed rural women with access to commercial banks.[56] This is in part due to the fact that MFIs specifically target rural women through tailored products that are linked to solidarity mechanisms used frequently by women's groups. Reliance Financial Services, for exaample, has set targets to reach 60,000 women by 2020 and has developed small loans and savings products that are primarily accessible through women's solidarity groups. Supersonicz provides financing for women farmers to purchase water pumps and has registered 20,000 women in their Women's Microfinance Initiative.[57]

MFIs

There are three MFIs operating in The Gambia: Reliance, Supersonicz, and GAWFA. Only Reliance and Supersonicz are currently authorized by the Central Bank of The Gambia to mobilize savings, as GAWFA recently lost its license due to its inability to meet capital requirements. Reliance has 24 branches and kiosks and 60 field agents across The Gambia, and is the only licensed financial institution with a presence in every region of the country. Supersonicz has 15 branches in all regions of the country except the Lower River Region and has not introduced agent banking.

Marital status also affects women's access to MFIs.

Surveyed women that are widowed, divorced, separated or in polygamous marriages tend to use MFIs more than women in monogamous marriages or single women. In these households, women receive less support from men and MFIs can support greater financial stability.

The main drivers behind why people do not access commercial banks and MFIs differ significantly.

Figure 13 highlights key drivers identified in the survey. For both men and women in the survey, the lack of sufficient capital and the lack of understanding of formal financial institutions are the two reasons why people do not use banks. MFIs are more commonly used in rural areas, and physical distance to MFIs remains the key reason respondents do not use MFIs.

"After my divorce from my first marriage, I was left to provide solely for my son's upbringing and education and it was very hard for me because I had no job, no income."

- Nyima, PoWER focus group participant

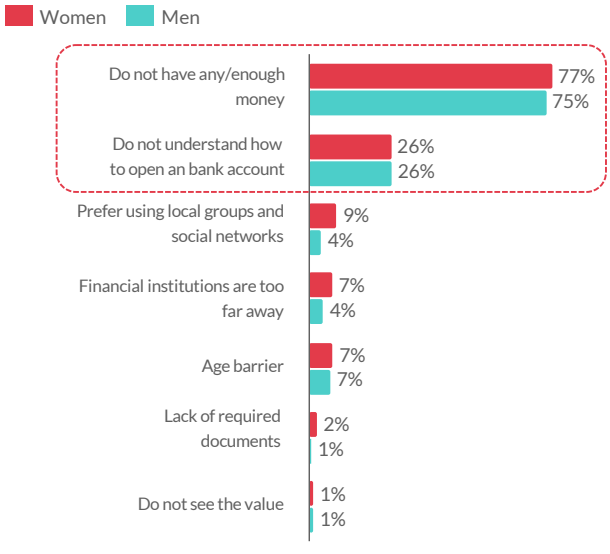
55 Ibid.

56 Ibid.

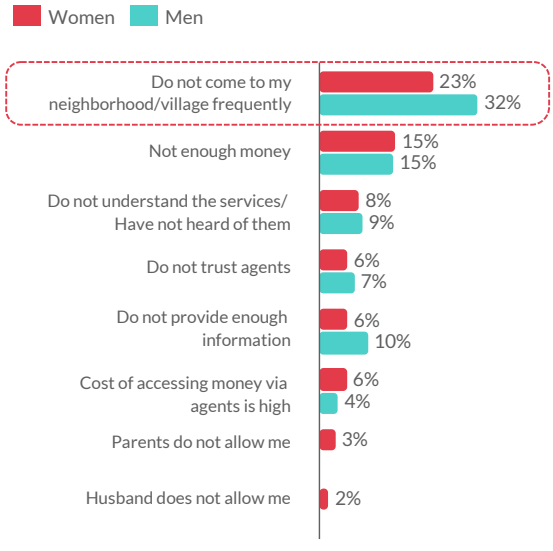
57 UNCDF, PoWER Key Informant Interviews, 2019

Figure 13: Main drivers for not accessing financial services[58]

Key reasons respondents do not use formal banks
(% of respondents, n=934)



Key reasons respondents do not use MFIs
(% of respondents, n=1,114)



KEY CONSTRAINTS TO ACCESS

The study identified four key constraints that limit women's access to formal financial services.

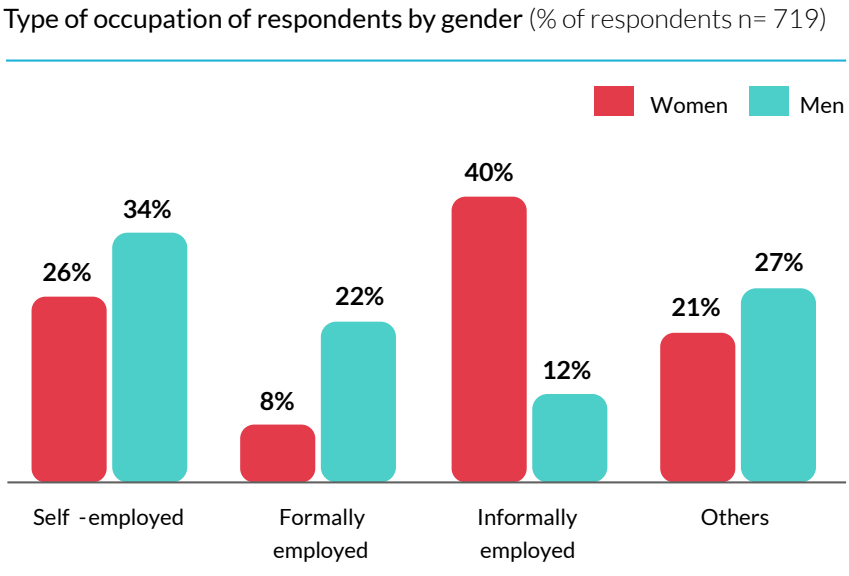
1. Economic vulnerability and limited resources

Women have lower participation in formal employment and have more limited earning potential.

Only 8% of sampled women are formally employed, compared to 22% of sampled men. Women are primarily informally employed, with 40% of those surveyed falling into that category, compared to just 12% of men. Women have greater representation in occupational categories with limited earning potential, such as small-scale farming (14% of sampled women) and household chores (16% of sampled women).[59]

58 UNCDF, PoWER Gambia Survey, 2019
59 Ibid.

Figure 14: Employment status of respondents, by gender[60]



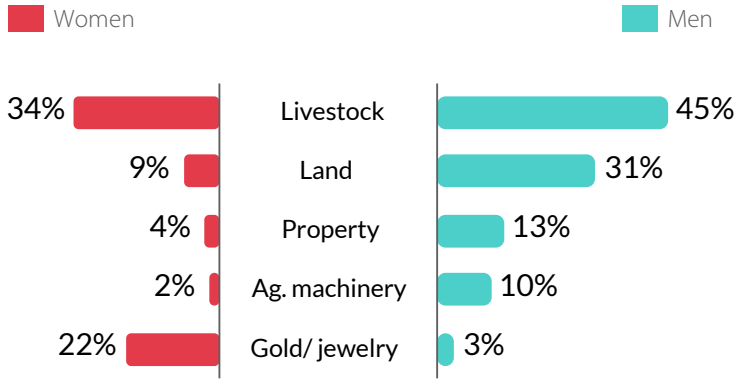
This is on par with the national labor force survey, where 27% of working age women were inactive because of being a housewife.[61] Similarly, a recent study by the FAO found that women are primarily involved in the production of non-cash crops at small scale because they have more limited control and ownership of land, inputs, credit, technology, and markets.[62] Women in The Gambia have more limited access to formal employment opportunities due to their low educational attainment. They also have to balance paid work with unpaid housework or family labor, which further limits their choice of paid work.[63]

Surveyed women have limited access to assets due to socio-economic and legal barriers.

They have significantly less access to assets than men, with 9% of women that own a land, compared to 31% of men.[64] Women's access to assets is mainly limited to livestock, gold, and jewelry. These assets are generally kept to cope during adverse situations, though the decision to sell may be controlled by the woman's husband – depending on the value of the asset and the social and ethnic status of the household.[65] The cost of an asset, as well as the legal constraints linked to accessing land are cited as the main difficulties encountered by women when acquiring assets.

60 Ibid.
61 Gambia Bureau of Statistics, Labor Force Survey, 2018
62 FAO and ECOWAS Commission, National gender profile of agriculture and rural livelihoods – The Gambia, 2019
63 African Development Bank, Gambia Country Gender Profile, 2012
64 Ibid.
65 FAO and ECOWAS Commission, National gender profile of agriculture and rural livelihoods – The Gambia, 2019

Figure 15: Ownership of assets among survey respondents[66]



Women in the study are trapped in a cycle of poverty.

They have limited access to assets, which in turn limits their access to finance and their ability to invest in productive equipment. Women are left with very few resources and sometimes have no choice other than to sell off assets to cope with financial challenges— making them even more vulnerable to shocks thereafter.

2. Limited understanding and knowledge of financial services

Women report lower education levels and lower awareness and understanding of financial products.

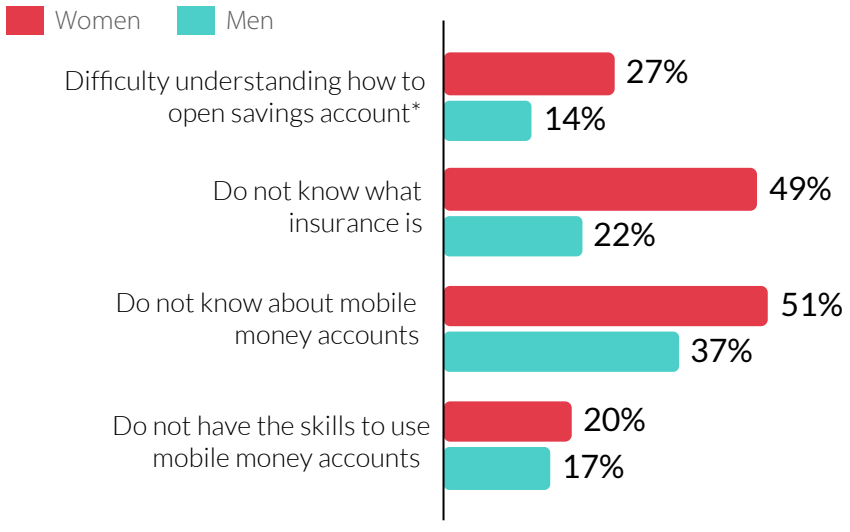
Women have lower awareness and understanding of basic financial products and services than men. In the survey, 27% of women report having difficulties in understanding how to open a savings account compared to 14% of men. Close to half of surveyed women (49%) do not know what insurance is compared to 22% of men. There are eleven insurance companies active in The Gambia,[67] but none offer micro-insurance products and only a sub-set offer life insurance and non-life insurance products.

Close to half of surveyed women (49%) do not know what insurance is compared to 22% of men.

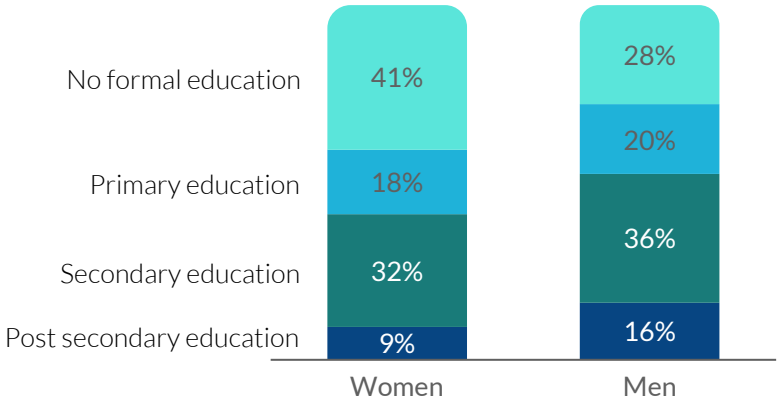
66 Ibid.

67 Capital Insurance Company Limited, Gambia National Insurance, IGI Gamstar, Global Security, Great Alliance, Inter national Insurance Co, Londongate Insurance, New vision Insurance, Prime Insurance Company, sunshine Insurance, and Takaful Gambia Limited

Figure 16: Gender differences in education level and awareness of financial products[68]



Level of education of respondents by gender
(% of respondents, n=1,250)



Women also have a lower awareness and understanding of digital financial services.

Of the sampled women, 51% do not know what a mobile money account is (compared to 37% of men) and 20% declare not having the skills to use mobile money accounts (compared to 17% of men).[69]

Limited financial literacy is linked to limited access to education.

Sampled women have lower education levels than men: close to 60% of women surveyed had no more than a primary education compared to 48% of men. However, both men and women have limited access to financial literacy training. Only 5% of female respondents and 4% of male respondents have already attended a training on how to use financial products and services.[70]

68 UNCDF, PoWER Gambia Survey, 2019
69 Ibid.
70 Ibid.

Financial literacy

Women often have less financial capability than men, so financial education is an important step to expanding women's financial inclusion. In The Gambia, financial education programs are scattered, linked to specific programs, and do not achieve broad coverage. Financial services providers such as the Gambia Women's Finance Association (GAWFA) have provided extensive training to women, while other microfinance institutions have developed financial literacy trainings for their clients and the National Association of Cooperative Credit Unions of The Gambia (NACCUG) has partnered with the Youth Empowerment Program to provide training to recipients of the mini-grant scheme. Most of the existing programs already target women or youth primarily, but it is not enough to bridge the gaps of low educational attainment among women.

3. Time poverty and limited mobility

Financial institutions primarily rely on bank branches and sampled women have limited ability to physically visit branches.

With limited resources, women have limited mobility. Distance is a key barrier hindering women's access to financial services. Women tend to be less mobile than men, with 54% of surveyed women working at home versus 33% of surveyed men.[71] Women also tend to have less budget to cover travel costs and most do not own their own means of transport.

Women reported to have more responsibilities in the household than men and are time poor.

Culturally, the burden of all or most domestic chores rests on women, whether they are full-time housewives or economically active. In rural areas, women have a greater overall workload that includes fetching water and wood, while also having to take care of domestic chores, children, and their farms[72]. Of female respondents, 47% have 4 children or more and 48% of respondents have children under 3 years.[73] Past research on time poverty in Africa finds that gender-differentiated time-use has major adverse implications for accessing economic rights for women. In patriarchal systems, the accepted gender roles allow men to control women's time and labor, with women and girls often overburdened with work that is typically considered low-status and unremunerated (collecting water and wood, cooking, cleaning, taking care of children, producing crops, and marketing surpluses).[74]

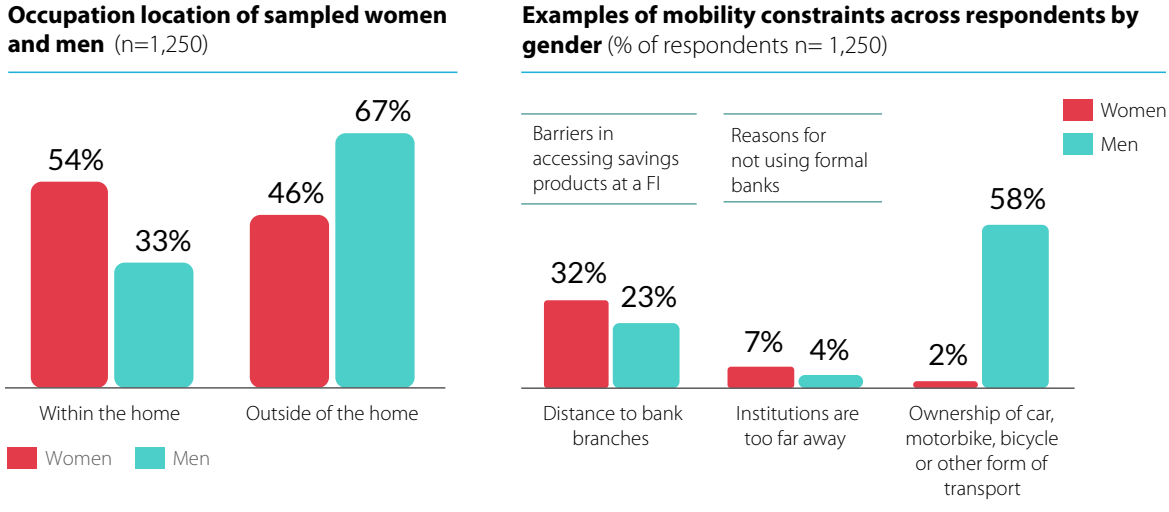
71 UNCDF, PoWER Gambia Survey, 2019

72 FAO and ECOWAS Commission, National gender profile of agriculture and rural livelihoods – The Gambia, 2019

73 UNCDF, PoWER Gambia Survey, 2019

74 The African Statistical Journal. (Abdourahman) Time Poverty: A contributor to Women's poverty, 2010

Figure 17: Gender differences in work within the home and mobility[75]



4. Influence of sociocultural norms

Gender norms and men's perceptions contribute to limiting women's access to financial services and agency.

Sampled men hold important decision-making power when it comes to their spouse's access to and use of financial services. In the PoWER survey, 38% of men think husbands control their wife's use of financial accounts. Of sampled women, 7% reported they do not borrow and 5% do not save because their husbands do not allow it.[76]

Men's control over women's access and usage of financial services is more prevalent in rural areas.

Of male respondents, 32% think husbands control their wife's use of credit in rural areas compared to 22% in urban areas.[77] According to a recent FAO study of rural households, most households are patriarchal and function with the male head of household making most decisions, with less than 50% of women participating in decisions about major household purchases, and 16% of women not participating in any decision-making in the home.[78]

"My wife is the primary owner of the garden. However, she will always consult me before doing anything in the garden and most of the time in taking financial decisions. But at the end of the day I provide her with some advice and let her decide. Everything she has from the garden will come back to the family."
- Sanna, PoWER focus group participant

75 Ibid.
76 Ibid.
77 Ibid.
78 FAO and ECOWAS Commission, National gender profile of agriculture and rural livelihoods – The Gambia, 2019

However, there is a strong recognition by men of women's ability to run businesses.

A majority of men in the survey stated that women are good entrepreneurs and supported financial literacy for girls. In rural areas, it is widely accepted that most agriculture work is done by women, who cultivate rice the main staple food, produce horticulture crops for home consumption and sale at local markets, and raise most of the rural poultry and small ruminants.[79]

Key Takeaway

The challenge of distance to branches must be surmounted to improve women's financial inclusion. Women have a very limited access to formal financial services. The available services and products do not reach women with lower education, lower incomes, or those living in rural areas. Physical distance is the primary barrier to accessing services and is unfortunately exacerbated by the limited mobility of women and the lack of digital finance solutions.

There is strong need for financial literacy training to increase women's awareness and understanding of financial products. This can empower women with the knowledge of how to open an account and access services and give greater confidence in financial service providers.

79 FAO and ECOWAS Commission, National gender profile of agriculture and rural livelihoods – The Gambia, 2019

2.3

USAGE

FINANCIAL NEEDS OF WOMEN

Despite strong differences between women depending on demographics and their personal journeys, they share common financial needs throughout their main lifecycle stages.

Women's main financial needs in the PoWER survey are related to everyday expenses, emergency expenses, and the need to invest in education and business activities.

Everyday expenses: Everyday expenses are a key concern for women as they often cover household expenses. While 60% of surveyed women are involved in finding a new source of income for the household, 87% of surveyed women save to cover their living expenses.

> **"I do not make enough profit to save in the bank. I only make on average GMD 300 (USD 6) daily, which I use to take care of the needs of my siblings."**
> **- Mamjarra, focus group participant**

Emergency expenses: Women also must deal with many emergencies (loss of an income, own illness or illness of a relative or of the income provider, etc.). The concept of insurance is foreign to most women, which makes them vulnerable to shocks. Of 21-25 year old women in the survey, 16% have experienced the death of a parent or main income earner in the last 12 months and 29% of surveyed women across all age groups have experienced the loss or theft of savings in cash or in-kind in the last 12 months.

School fees: Many women highlight school fees (for themselves or their children) as a primary financial need. Mothers tend to think of themselves as responsible for their children's education, especially when the husband has several wives. In the survey, 60% of women aged 36-45 have made payments for school fees in the past 12 months.

"I will continue saving my profit to prepare me for any unforeseen financial challenge"
- Isatou, focus group participant

Starting or expanding a business: Many women start a business (often in addition to an existing activity) to increase their income and to finance long-term projects. Investments and working capital to grow the business are key financial needs, with 28% of women aged 36-45 having saved to start a business. Common businesses include preparation and sale of beverages, peanut butter, flour, oil, fashion and tailoring, and processing fish.

Long-term financial planning: Most women anticipate their long-term financial needs but struggle to make concrete long-term financial plans. Most do have aspirations, but no firm plans to achieve them as they have too many competing immediate costs to cover.

SAVINGS

Women's savings habits are reflective of their priorities: the household and their children's futures.

Of women surveyed, 40% have saved in the last 12 months, which is slightly less than men (44%). For formal savings, women save through commercial banks (26%) and MFI (20%). Saving at home is widespread (37% of women that have saved). Men rely much more on commercial banks, with 52% using commercial banks, 9% using MFIs and 26% saving at home.[80]

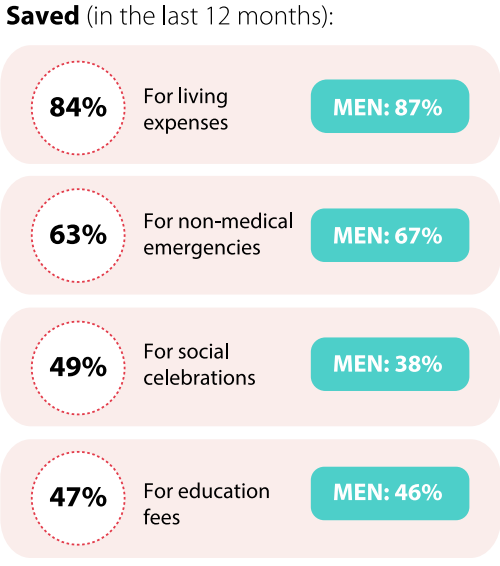
The four main reasons for sampled women to save are

- **Living expenses,**
- **Non-medical emergencies,**
- **Preparing for social celebrations, and**
- **Paying for education fees.**

Women aged 26-35 and 36-45 save the most, with respectively 56% and 50% who saved in the last 12 months. The biggest difference in savings patterns between men and women is for social celebrations, where 49% of women save money to spend on the food and clothing associated with these events – women likely need to be sensitized on their spending patterns for social celebrations.[81]

80 UNCDF, PoWER Gambia Survey, 2019
81 Ibid

Figure 18: Main reasons women save



Family members, as well as door-to-door marketing campaigns are critical for the choice of financial institution. 45% and 42% of women have respectively relied on family members and friends to get information on how to access their saving product.[82]

Focus Groups also indicated that many women open savings accounts after they are approached by officers from banks during door-to-door campaigns.

Self-employed and formal employees have the highest propensity to save through formal and informal channels.

Of sampled women, 40% use formal savings channels and 24% use informal savings channels, compared to 26% and 19% of sampled men respectively. Two-thirds of formal employees and self-employed women have saved over the last 12 months, for only 1/3 of informally employed women. Compared to their male counterparts, self-employed women and small-scale farmers have a higher propensity to save, which is partly due to a greater use of MFIs and solidarity groups.[83]

BORROWING

Borrowing plays an important role to support women's investment in education and the growth of their businesses.

Both men and women have a limited propensity to borrow, with just 19% of women who have borrowed in the last 12 months versus 20% of men.[84]

Informal channels are preferred to formal channels - only 6% of sampled women have accessed credit through formal channels.

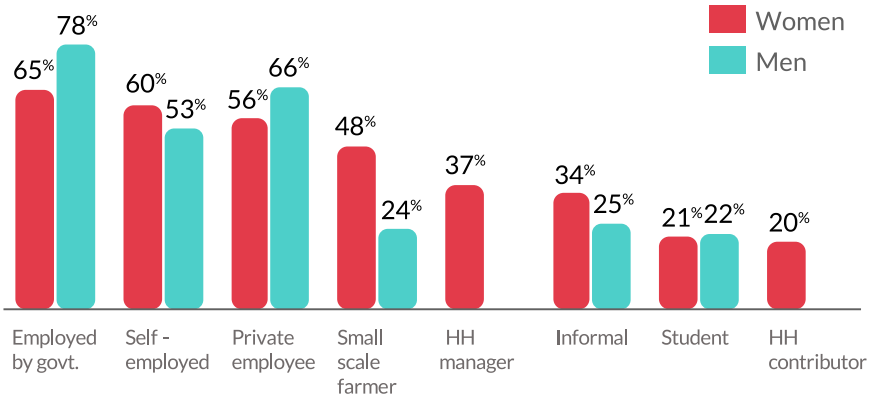
Informal channels are perceived as more accessible and less risky. When borrowing from family, relatives are less likely to charge interest and be flexible with repayment. Women have more access to formal credit than men, with only 4% of men accessing credit through formal channels. This is largely due to men's limited use of MFIs to access credit – 5% of men that borrow use MFIs compared to 26% of women.[85]

82 Ibid
83 Ibid
84 Ibid
85 Ibid

Women that have received non-financial support such as business training were much more confident in their capacity to pay the loan back

Figure 19: Prevalence of borrowing among respondents

Saving propensity by type of occupation and gender
(% of respondents, n=1,250)



The five main uses of credit are:

- **Living expenses (64%),**
- **Education fees (24%),**
- **Non-medical emergencies (23%),**
- **Starting and growing a business (respectively 15% and 9%), and**
- **Medical expenses (16%)**

Overall, there is high risk aversion, with 48% of women not borrowing because they fear defaulting on payment. Women that have received non-financial support such as business training were much more confident in their capacity to pay the loan back.

The available borrowing products have significant limitations.

Formal products are perceived as too costly and therefore too risky and require that a woman has steady income to compensate for the associated cost of capital. Informal products are not easily available and there is a low visibility on when funds can be accessed.

The self-employed – including farmers, and formal employees have the highest propensity to borrow mostly through informal channels.

Self-employed and formal employees borrow more than other categories of women, with respectively 28% and 27% of them borrowing.[86] Focus Groups also indicated that these women have better access to both formal channels (particularly MFIs and Credit Unions) and informal channels as the perceived risk to the lender is lower because these women have steady incomes. Many business owners explained that they were provided cash or in-kind loans (e.g., a refrigerator) by relatives.

86 Ibid

DIGITAL FINANCIAL SERVICES (DFS)

Only 1% of sampled women use mobile money while 74% own a phone and 68% own a smartphone.

A minority of women have access to a mobile money account despite high mobile phone penetration in both urban and rural areas. According to the survey, 74% of women own a mobile phone (68% with smartphones), compared to 87% of men (74% with smartphones).[87]

The limited uptake of mobile money is driven by the lack of awareness - 36% of women do not know about mobile money.

"I have heard of mobile money [through radio], but I don't use it because I am poor and this would not have any impact in my life."
- Sanna, focus group participant

Focus Groups revealed an interest in mobile money but also extremely low awareness and understanding of the available services. The same trends were observed for men, with 37% not knowing about mobile money and 19% who think they do not have enough money.[88]

Those who do use mobile money tend to use their accounts for specific activities.

There does not seem to be uptake of mobile money for pure convenience, and instead its use is linked to specific products. Survey respondents gained information about how to access a mobile money account from a variety of sources, including friends, marketing on TV, and family members. While mobile money providers should continue using traditional marketing channels, word-of-mouth should also be considered as a marketing tactic.

INSURANCE

Women in the study rely mostly on informal means to raise funds for emergency expenses.

Over the course of her lifetime, a Gambian woman will experience several emergencies with significant financial implications. Illness and death within the family are the most frequently cited shocks experienced by women, with 53% having faced an illness and 29% experiencing a death in the past 12 months.[89] Illness or death of a relative were identified as major causes of teenagers dropping out of school, as it becomes impossible to pay for school and creates growing pressure for girls to start work.

87 Ibid
88 Ibid
89 Ibid

Due to extremely limited access to insurance, such events place high pressure on the family to find ways to cope financially.

Most of the time, women will turn to relatives (84%). During the Focus Groups, some women shared stories where the persons they turned to tried to barter for sexual favors, which highlights the imperative for women to have access to safer, more affordable options during adverse situations.

Women have limited access to insurance due to lack of awareness and inappropriate product options.

According to the survey, 64% of women have not heard about insurance and 91% of them do not have access to insurance products.[90] In the Focus Groups, none of the participants had health insurance, but several in Brikama had life insurance, because of marketing campaigns from financial institutions. Figure 20 shows an example of how these products are marketed – in this case as a "dual-purpose" savings product.

Figure 20: Example marketing of life insurance products in The Gambia[91]

Life Time Needs Plan (LTN)

This is an insurance policy that caters for your finances at each stage of your life. It is an investment linked life Assurance product providing both life cover and savings benefits. LTN is a dual purpose life assurance policy, which allows the policyholder to plan over the long-term towards retirement, pension, long-term investment goals and most importantly an Income Replacement Plan to support the policy holder's family in the unlikely event of death.

Key Takeaway

Women, and particularly those with lower incomes, need services and products that are adapted to their spending habits. Women spend money on household expenses, school fees, and use their personal savings to invest in their businesses. There is a need for more products that are tailored to women's spending patterns and habits – perhaps linked to specific items (water pumps, furniture, etc.) in which women invest.

90 Ibid.

91 Enterprise Life Insurance website

2.4

AGENCY

Overall women have a good level of agency[92] on how they use financial services.

The majority of women – between 75% and 90% – act as the sole decisionmaker on how to use their savings, loans, and remittances.[93] For those who do not decide by themselves, they usually decide with their husbands or with their mother. Savings is the category for which women in the survey reported to have the most control, while husbands tend to have more control on the use of credit and remittances. Women in monogamous marriages tended to make more financial decisions with their husbands about their savings (12%) than those in polygamous marriages (5%).[94]

However, patterns differ slightly between urban and rural areas, with rural men having more control over how their wives access financial services.

According to the survey, 9% of rural women who have not borrowed declared that they did not do so because their husbands did not let them (compared to 6% in urban areas). A further 14% of surveyed rural women decide with their husbands on how to use their loans (compared to 8% in urban areas).[95]

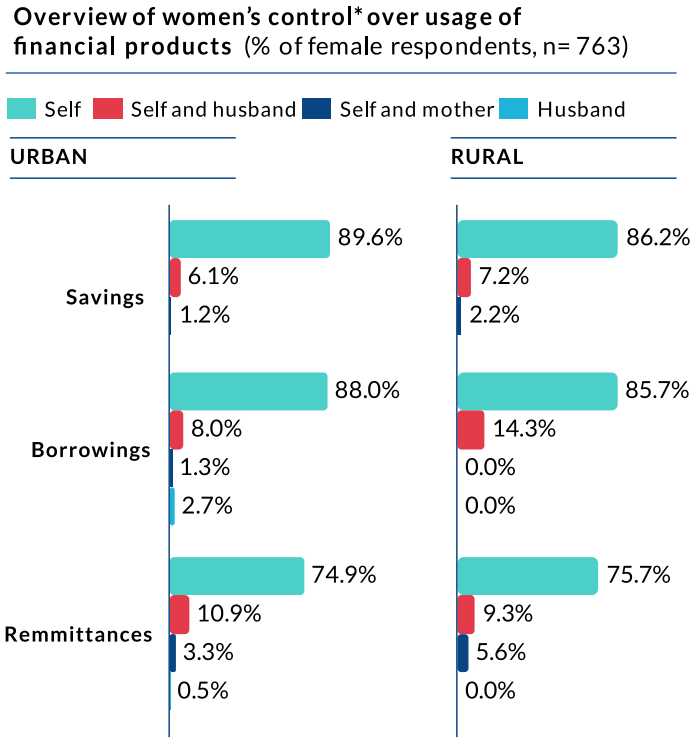
92 Under the PoWER framework, agency is defined as a woman's ability to pursue economic goals, express voice, and make decisions free from negative consequence.

93 Ibid

94 UNCDF, PoWER Gambia Survey, 2019

95 Ibid

Figure 21: Women's agency over financial products, by geography



Polygamy in The Gambia*

Polygamous unions are legally recognized and broadly accepted in The Gambia, where under Islamic tradition men are able to marry up to four wives if they are financially capable of supporting the family. The practice is very common – the Multi-Indicator Cluster Survey (MICS4) reported that 41% of women aged 15-49 were in a polygamous marriage.

In many cases, polygamy can put a strain on household finances, as more wives translate to more children and greater expenditure on food and education.

Surveyed men in polygamous marriages have more conservative views.

Men's perceptions of the role a husband plays in control over finances differs depending on their participation in a monogamous or polygamous marriage. Polygamous men are more likely to doubt a woman's ability to manage funds and to believe that men should have control over their wives' accounts and credit.[96]

However, in practice women in polygamous marriages have a level of agency that is on par or better than those in monogamous marriages.

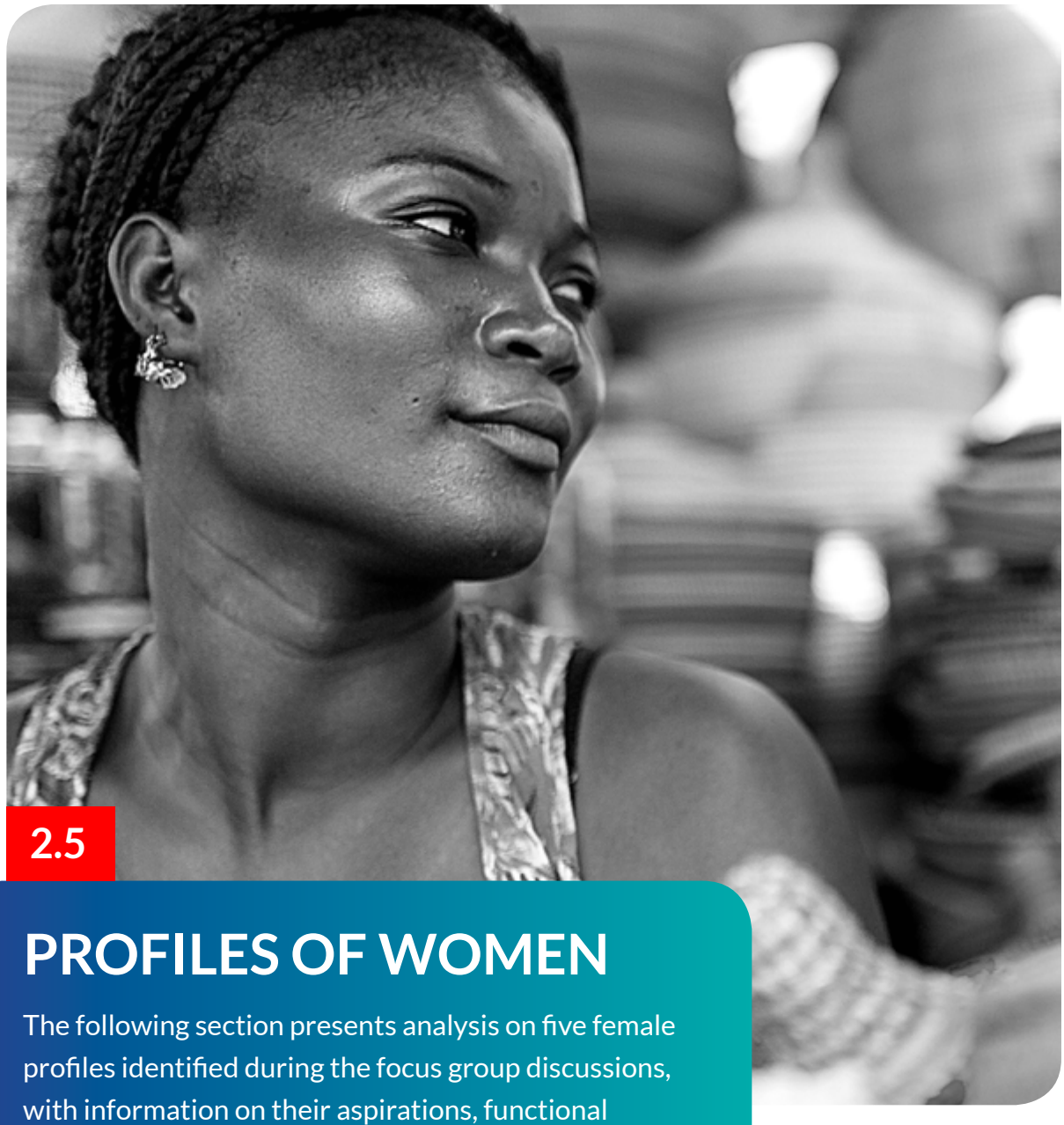
They tend to have slightly more control over the use of their savings and loans. According to the PoWER survey, 2% of women in polygamous marriages declare not using savings product because their husband does not let them, compared to 3% of women in monogamous marriages.[97]

Key Takeaway

There is a disconnect between women's feelings of agency and men's perceptions of gender roles. Women are able to make financial decisions because their husbands allow it. Despite the large majority of women surveyed feeling they have full control over how they use financial products, it seems from the male respondents that the traditional gender roles and expectations of the patriarchal society apply, where husbands can and will assert their wills over their wives if they choose to do so.

96 Ibid.

97 Ibid.



2.5

PROFILES OF WOMEN

The following section presents analysis on five female profiles identified during the focus group discussions, with information on their aspirations, functional financial needs, commonly used financial tools, and opportunities to better serve them.

DESCRIPTION OF FIVE FEMALE PROFILES

The focus group discussions covered five distinct profiles of women: in-school teenagers, out-of-school teenagers, business owners & entrepreneurs, farmers, and employees.

Women in the different profiles have different experiences that characterize their financial lifestyles and needs. These experiences are influenced by several social, economic, and psychological factors. Different experiences and challenges also lead to different levels of financial stability over the course of a lifetime.

Women from all the profiles develop and adopt strategies or coping mechanisms to overcome their financial challenges, which include the use of both formal and informal financial products.

- **In-school teenagers**
  Teenagers who are still in school and have limited economic activity, as most of their time is spent studying or in class. As a result, most do not use financial services and depend on their parents to cover their expenses but have strong awareness and understanding of the available products and services.

- **Out-of-school teenagers**
  Out-of-school teenagers are mostly still unmarried and living with their families and contribute to the family's economic activities (e.g., gardening in the family plot or supporting their mothers' business activities). They do not perceive themselves as likely clients of formal financial institutions, and so are more likely to rely on relatives or remittances to cover their personal expenses.

- **Business owners & entrepreneurs**
  Female business owners and entrepreneurs use their earnings to cover household expenses and to cover the working capital for their business expenses. They generally are aware of formal financial products, with limited use, but perceive loans from formal institutions to be risky.

- **Farmers**
  Women farmers are primarily involved in production of rice and horticulture crops, and use their earnings to cover household expenses, school fees, or to contribute to their ***ossusu***. While they are aware of formal financial services, they mostly rely on informal savings and borrowing when needed.

- **Employees**
  Employees are largely employed in the informal sector and are aware of formal financial services, but largely use informal channels for saving. Those employed in the formal sector are more likely to use formal institutions.

IN-SCHOOL TEENAGERS

"It is important to have an account because the money will be safe there".

Awareness:
Good awareness and understanding of formal financial products

Trust:
Relatively strong trust of formal institutions, see the value added but fear the cost

Current use:
Almost non-existent and informal

Agency:
Have a clear vision of what they want in the future and strong sense of financial independence

OUT-OF SCHOOL TEENAGERS

"I do not have enough profit to save in the bank."

Awareness:
Awareness but limited understanding of formal FS

Trust:
Do not see themselves as potential clients of formal banks

Current use:
Very informal use of FS, save at home, receive remittances

Agency:
Limited agency, form their opinions of FS based on what relatives experience

BUSINESS' OWNERS & ENTREPRNEURS

"I received a loan from my mother to start my own business."

Awareness:
Good awareness of formal financial products (door-to-door campaigns by some banks)

Trust:
Risk and cost adverse, prefer to rely on relatives for loans

Current use:
Mostly informal use of financial services, use of formal services is limited – own account but many of them are dormant

Agency:
Have some financial independence

FARMERS

"Using the account of a relative is easier. And opening an account is expensive."

Awareness:
Awareness of formal FS, especially MFIs due to radio spots

Current use:
Very informal use of FS such as shopkeeper or family members' accounts. Some use MFI loans for themselves or for their daughters

Agency:
They decide how to allocate the money they earn and do not rely much on husbands

EMPLOYEES

"I save with the shopkeeper because he would not run away with my money."

Awareness:
Awareness of formal financial services

Trust:
More trust toward informal channels, such as relatives and shopkeeper than formal financial institutions

Agency:
Bank account owners had their accounts opened by their parents when younger

IN-SCHOOL TEENAGERS

"If I stop schooling and don't have a job, it'll be very hard for my children to be educated."
Mbombeh, 17

ASPIRATIONS & KEY CHARACTERISTICS

PoWER focus group participants shared their aspirations and key financial goals for the future: In-school teenagers spend most of their time at school or studying for classes and use their free time to help in the home or household business activities. In-school teenagers are financially dependent on their relatives or remittances for their daily needs and education expenses. The aspirations of in-school teenagers are largely related to finishing their education. For most, pursuing post-secondary education is a priority and is perceived as the best way to get a good job. Some would like to start entrepreneurial activities and plan to acquire the skills through relatives or at vocational skills centers.

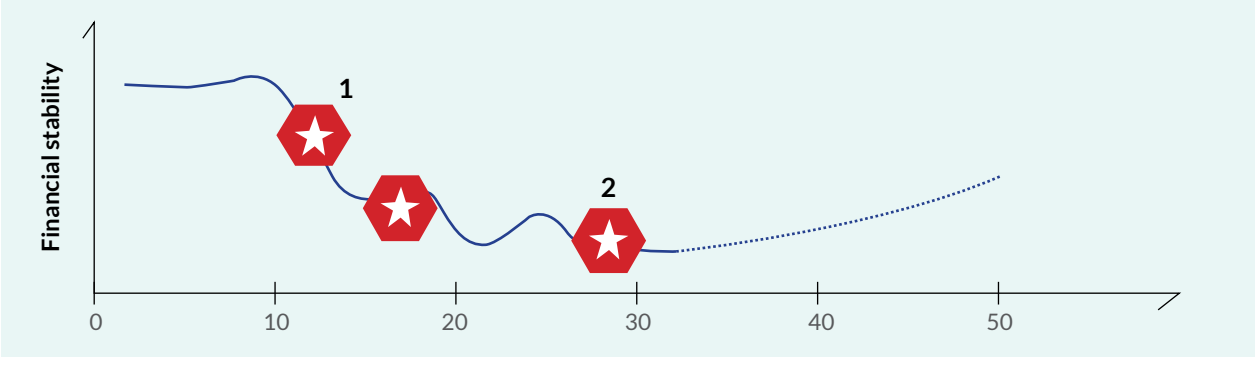
In-school teenagers also demonstrate a strong desire to become financially independent to be able to support their families in the future. They speak of a strong willingness to invest in the education of their future children, as they believe the mother is most able to secure her children's education. Most in-school teenagers predict they will have a key decision-making role in their future household.

FINANCIAL STABILITY AND MAIN FINANCIAL CHALLENGES

Participants reflected on challenges they face in accessing finance at key life stages:

The figure below shows the relative financial stability that in-school teenagers perceive at different ages. For most, the first challenge (labeled 1 in the figure) occurs in secondary school around age 15 when they have to pay to enroll in extra classes. As they reach the end of high school, finding a way to pay for university becomes important – with most in-school teenagers worrying about how their families will cover the expense.

The second financial challenge is expected to occur in the future when they will have children and will have to invest in their education.

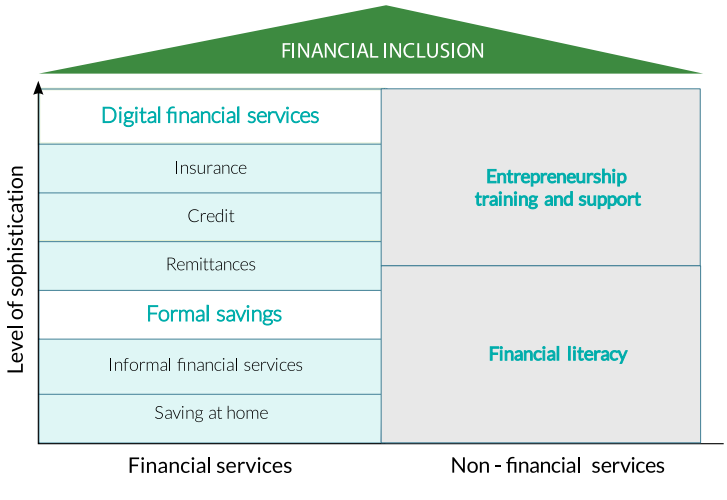


Legend: **Main financial challenge**

Expression of current and future evolution

Limited visibility

FINANCIAL INCLUSION



Legend: Commonly used Rarely used

Financial Product: Needed in priority

The figure to the left shows the variety of financial tools, and and non-financial services that could be used by women and girls in The Gambia. Among in-school teenagers, usage of financial and non-financial services is almost non-existent. In-school teenagers depend on their parents and do not use financial products. In the PoWER focus groups, only one in-school teenager had a savings account, which her mother had opened for her. Since in-school teenagers typically do not work, do not earn any income, and do not receive remittances directly, they have limited access to money to motivate their use of financial products.

Going forward, there is a need for in-school teenagers to have greater access to formal savings and digital financial services to enable their future aspirations and financial goals. They would also benefit from financial literacy training to help them plan for the future and entrepreneurship training and support for those who would like to start their own businesses.

Three specific needs that financial products can address for in-school teenagers include:

- Savings products for education that are flexible, and remittances based
- Financial literacy programs dedicated to in-school teenagers, including the promotion of digital financial services
- Entrepreneurship training dedicated to young women willing to start their own businesses

OUT-OF-SCHOOL TEENAGERS

"I choose to do vegetable gardening because it helps in providing for my basic needs."
Fatou, 19

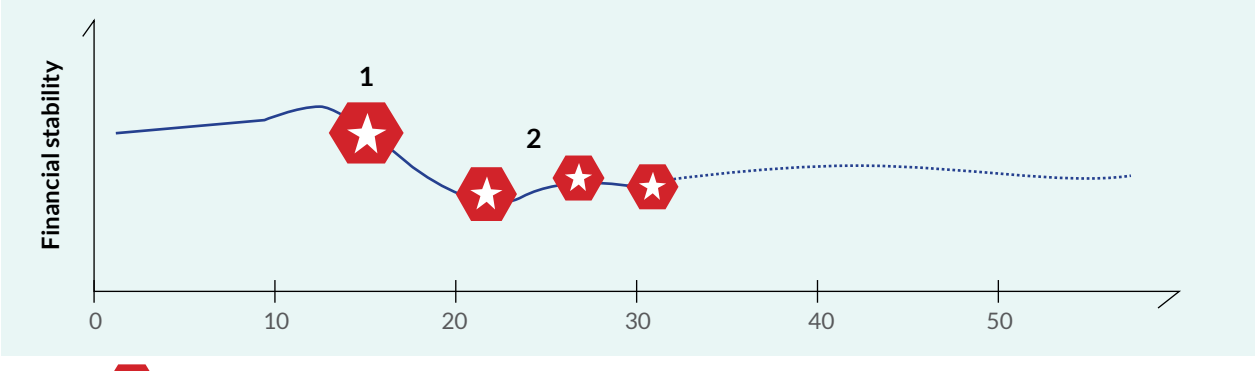
ASPIRATIONS & KEY CHARACTERISTICS

Most out-of-school teenagers have dropped-out of school because of financial reasons, as their families could no longer afford school fees. Out-of-school teenagers spend most of their time helping in the home or with household business activities. Some have started their own gardening activities after dropping-out and work on the communal plot. They are highly dependent on relatives to cope with their financial needs and mostly use informal channels for saving, accessing credit, and receiving remittances. They feel substantial frustration about their current situation and are unsure how to plan for the future to improve their livelihoods.

The aspirations of out-of-school teenagers are related to finding ways to earn money to support themselves and their families. Out-of-school teenagers aspire to be able to earn enough to support their future children's education. Many out-of-school teenagers work in gardening and aspire to expand their gardening activity in the future. Some are willing to start a business related to tailoring or fashion.

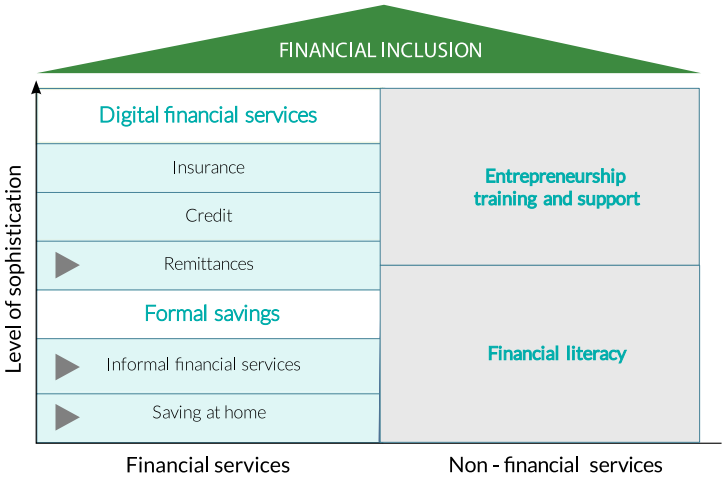
FINANCIAL STABILITY AND MAIN FINANCIAL CHALLENGES

The figure below shows the relative financial stability that out-of-school teenagers perceive at different ages. For most, the first challenge (labeled 1 in the figure) occurs in adolescence when they drop out of school because of the death or illness of a relative or the family's main breadwinner. As they reach their twenties, have limited income generating activities, and still depend on their relatives, they find it difficult to cover their expenses (these are depicted as the subsequent financial challenges labeled 2 in the figure). This includes small expenses such as bus fare, as well as more significant amounts to cover the costs of social and festive events, which represent important needs for this group.



Legend: Main financial challenge — Expression of current and future evolution — Limited visibility

FINANCIAL INCLUSION



Legend: Commonly used — Rarely used

Financial Product: Needed in priority

The figure to the left shows the variety of financial tools and non-financial services that could be used by women and girls in The Gambia. Among out-of-school teenagers, the use of financial services is very informal and includes ossusu, relatives, remittances, and credit vouchers. Out-of-school teenagers receive small amounts of money at a time based largely on what others can lend or give them, so they largely save at home instead of with a formal institution.

Going forward, there is a need for out-of-school teenagers to have greater access to formal savings and digital financial services to support their current income-generating activities. They can also benefit from financial literacy training to help them improve their financial planning capabilities and consider different opportunities for earning money.

Two specific needs that financial products can address for out-of-school teenagers include:

- Flexible and affordable saving products adapted to limited revenues
- Entrepreneurship and financial literacy training as well as funds to support business development in their current activities or new activities

BUSINESS OWNERS & ENTREPRENEURS

"I needed more money to keep up with my expenses – children's education, and growing my business."
Nyima, 24

ASPIRATIONS & KEY CHARACTERISTICS

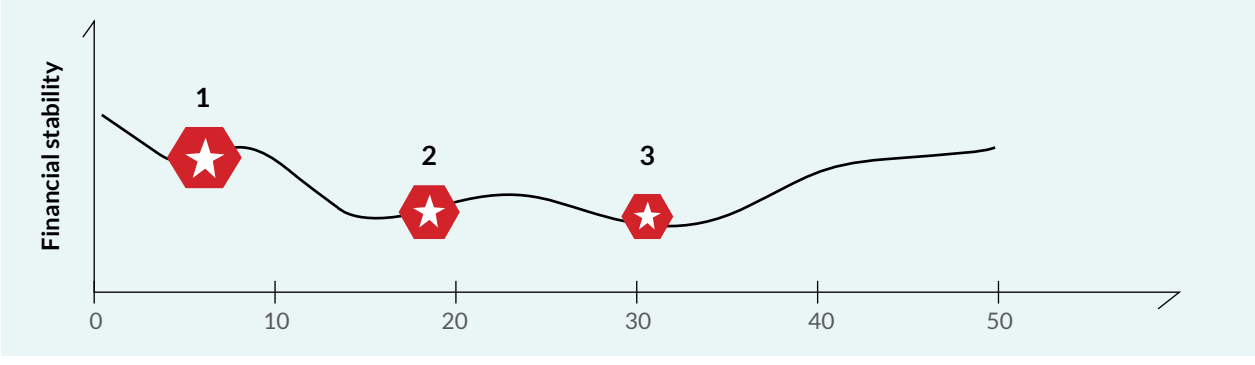
Business owners and entrepreneurs spend their time managing their business activities, their children, and the household. Most women are involved in multiple activities, including seasonal activities, and petty trading is the most common activity for these women. Most of the business activities are opportunistic, where a woman identifies a need she can address while making a small profit. For example, during the hot season, business owners sell local juices and water while some start tailoring clothes before holidays and festive events.

Some business owners are involved in activities linked to value-addition such as peanut butter processing, fish processing or have identified market opportunities such as selling breakfast near schools or on Sunday when the competition is low. The support from relatives and the social network – mother, father, brother, husband, friends – is important to starting and expanding the business. Business owners and entrepreneurs often receive cash or in-kind loans from their networks to help them initiate their business activities.

The business activities generate a significant share of the household revenues. The expansion of the business is the main aspiration, as it is the best way to cover daily expenses, invest in children's education, and take care of ailing parents or relatives. In the future, business owners and entrepreneurs aspire to grow their businesses enough to start employing people, as most work on their own or with a relative.

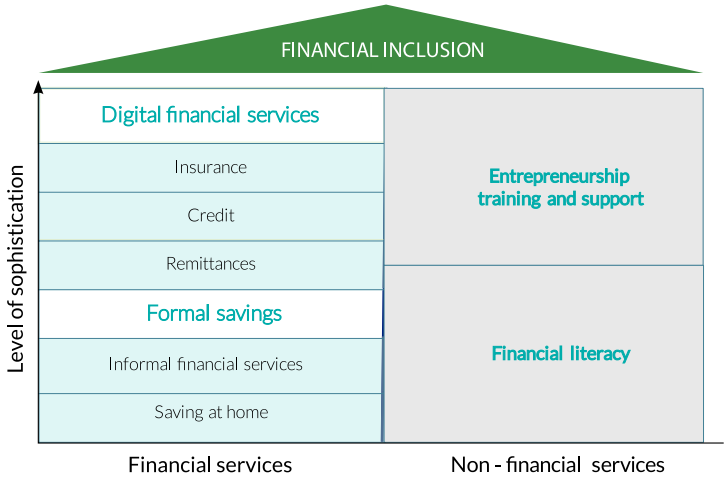
FINANCIAL STABILITY AND MAIN FINANCIAL CHALLENGES

The figure below shows the relative financial stability that business owners and entrepreneurs perceive at different ages. For most, the first financial shock is experience between ages 5 and 15 with the death, illness, or job loss of one parent causing them to drop out of school (labeled 1 in the figure). After dropping out of school, the women seek to start a business to earn income but are faced with the challenge of finding money to start the business (labeled 2 in the figure). As the women become mothers, they are faced with their third financial challenge as they struggle to cover the household needs, their children's education and health, the working capital requirements of their businesses



Legend: ★ **Main financial challenge**

FINANCIAL INCLUSION



Legend: ▶ Commonly used ▶ Rarely used

Financial Product: Needed in priority

The figure to the left shows the variety of financial tools and non-financial services that could be used by women and girls in The Gambia. Among women business owners and entrepreneurs, a combination of formal and informal channels is used to access financial services. Half of the focus group participants have current and savings accounts. Business owners tend to also rely on relatives to either start or expand their business, and some are also part of an ossusu. The use of loans is limited among business owners, as it is perceived to be risky and those that have accessed loans have used them to finance working capital or the education of their children.

Going forward, access to formal savings, credit, insurance and digital financial services should be provided to women business owners who can benefit from the additional services to separate their personal savings from their business expenses, gain greater access to loans, and mitigate key risks and costs associated with running their business activities. Business owners could also benefit from further financial literacy training to improve their awareness of available products and entrepreneurship support to help grow their businesses.

Three specific needs that financial products can address for business owners include:

- Financing of working-capital and small investment needs for the growth of the business
- Flexible financial products to face seasonality and unexpected financial shocks
- Savings products to finance education

FARMERS

"I want to be able to cater for my children's education and take care of them when they are sick."
Musukoto

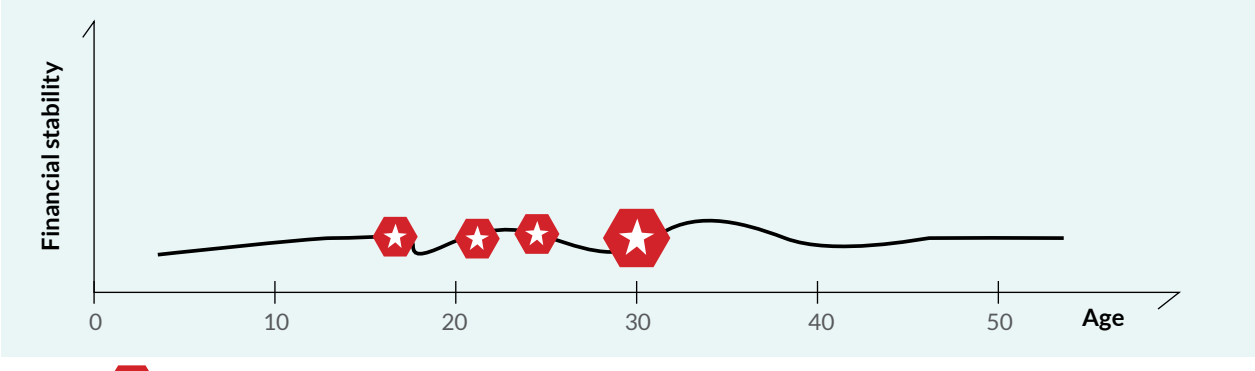
ASPIRATIONS & KEY CHARACTERISTICS

Most women farmers are involved in rice and horticulture production, where production is used to feed the household and, for those with larger yields, is sold at market. Farmers cultivate land owned by their husbands or families, and only a small portion of women own the land they farm. Farmers have very limited access to inputs such as seeds or fertilizer, and only a few use equipment such as water pumps on their plots.

Farmers receive very little support from their husbands and relatives and have very limited options to diversify the crops under production, and thus their sources of income. The aspirations of women involved in subsistence farming are linked to improving the productivity and profitability of their plots to be able to take care of their families. Farmers are interested in bringing more value addition to their production activities through processing or storage. Since their husbands are often unable to support the education of all the children due to polygamy, farmers aspire to be able to pay their children's school fees – especially their daughters as they have noticed that their sons tend to migrate more.

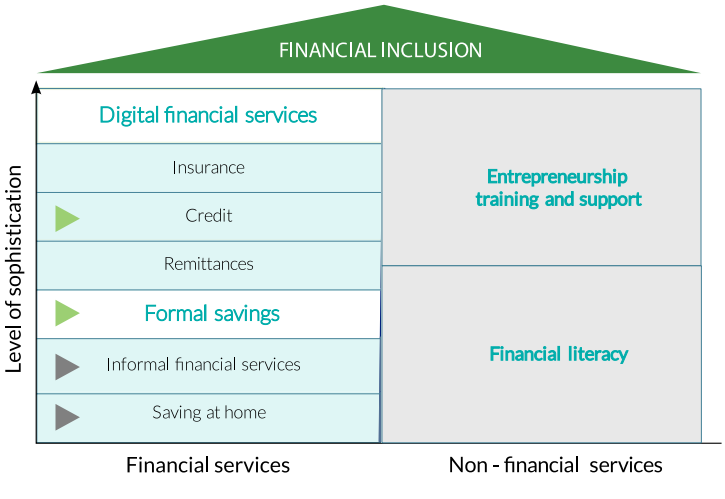
FINANCIAL STABILITY AND MAIN FINANCIAL CHALLENGES

The figure below shows the relative financial stability that farmers perceive at different ages. Most farmers experience recurring financial challenges and shocks because they consistently lack sufficient access to finance for to cover the costs of inputs, storage, and processing of their agricultural activities, at every season and each year. These are represented in the figure as the smaller orange icons. The farmers have also all experienced what they perceive as a major financial shock during their adult lives that is often related to the illness of a child.



Legend: Main financial challenge — Expression of current and future evolution — Limited visibility

FINANCIAL INCLUSION



Legend: Commonly used — Rarely used

Financial Product: Needed in priority

The figure to the left shows the variety of financial tools and non-financial services that could be used by women and girls in The Gambia. Among women farmers, informal financial services and saving at home are the most common methods of managing money. Farmers rely on relatives or the local community (ossusu, credit from shopkeepers) to address their financial needs. Women farmers are aware of formal financial services and a few have used formal savings products from microfinance institutions that collaborate with their women's groups. However use of credit products is limited, as the farmers find them to be risky.

Going forward, farmers could benefit from greater access to formal savings and credit to support the purchase of inputs and equipment for the farms, as well as microinsurance products that could help mitigate the risks associated with rain-fed agriculture. Farmers could also benefit from greater digital financial services, which could help improve the accessibility of services as products, especially for those in rural areas .

Three specific needs that financial products can address for farmers include:

- Financing of working-capital to buy seeds, fertilizer and other operating expenses, including small equipment for processing or irrigation
- Financing solutions for education and health
- Business management and entrepreneurship training to help transition women from subsistence production to business-oriented production and agro-processing

EMPLOYEES

"I needed more money to keep up with my expenses – children's education, and growing my business."
Jariatou, 18

ASPIRATIONS & KEY CHARACTERISTICS

Women employees are primarily employed in the informal sector in restaurants, stores, or trade activities. Their earnings are low and used to cover living expenses and contribute to household needs. The few women who are employed in the formal sector have higher levels of educational attainment and are employed in the public sector as teachers or in the military. For most employees, their jobs provide them with some level of financial stability.

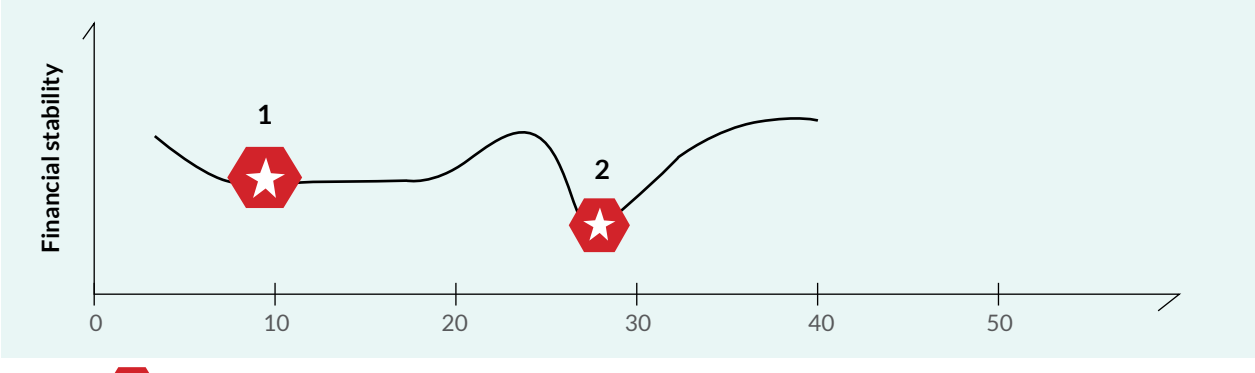
The aspirations of employees vary, with some interested in furthering their education, while others aspire to one day start their own businesses. Some employees aspire to go back to school to pursue another career since most dropped out of school because their families were no longer able to afford school fees. Employees also aspire to start businesses in the future to increase their incomes.

Most employees rely on informal channels to access financial services (at home, shopkeeper), especially for savings and accessing credit. They perceive these channels as convenient and trustworthy .

FINANCIAL STABILITY AND MAIN FINANCIAL CHALLENGES

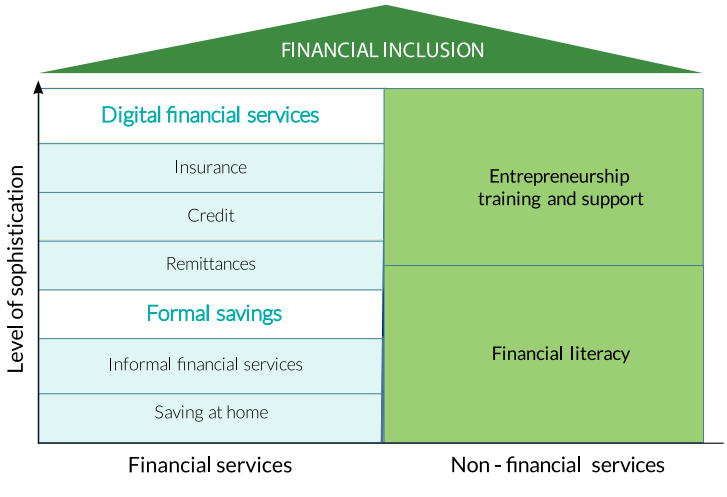
The figure below shows the relative financial stability that employees perceive at different ages. Most employees dropped out of school due to financial hardship when they were 10 to 15 years old. Those living with relatives with no income, such as an elderly grandmother, are particularly prone to have dropped out of school as there was no one to pay for their school fees.

The second financial challenge that employees face is linked to their limited ability to save money and cover the costs of emergencies that arise. When medical expenses for themselves or their loved ones emerge, employees struggle to cover them – some employees are forced to delay treatment until they can come up with the funds.



Legend: Main financial challenge — Expression of current and future evolution — Limited visibility

FINANCIAL INCLUSION



Legend: Commonly used — Rarely used

Financial Product: Needed in priority

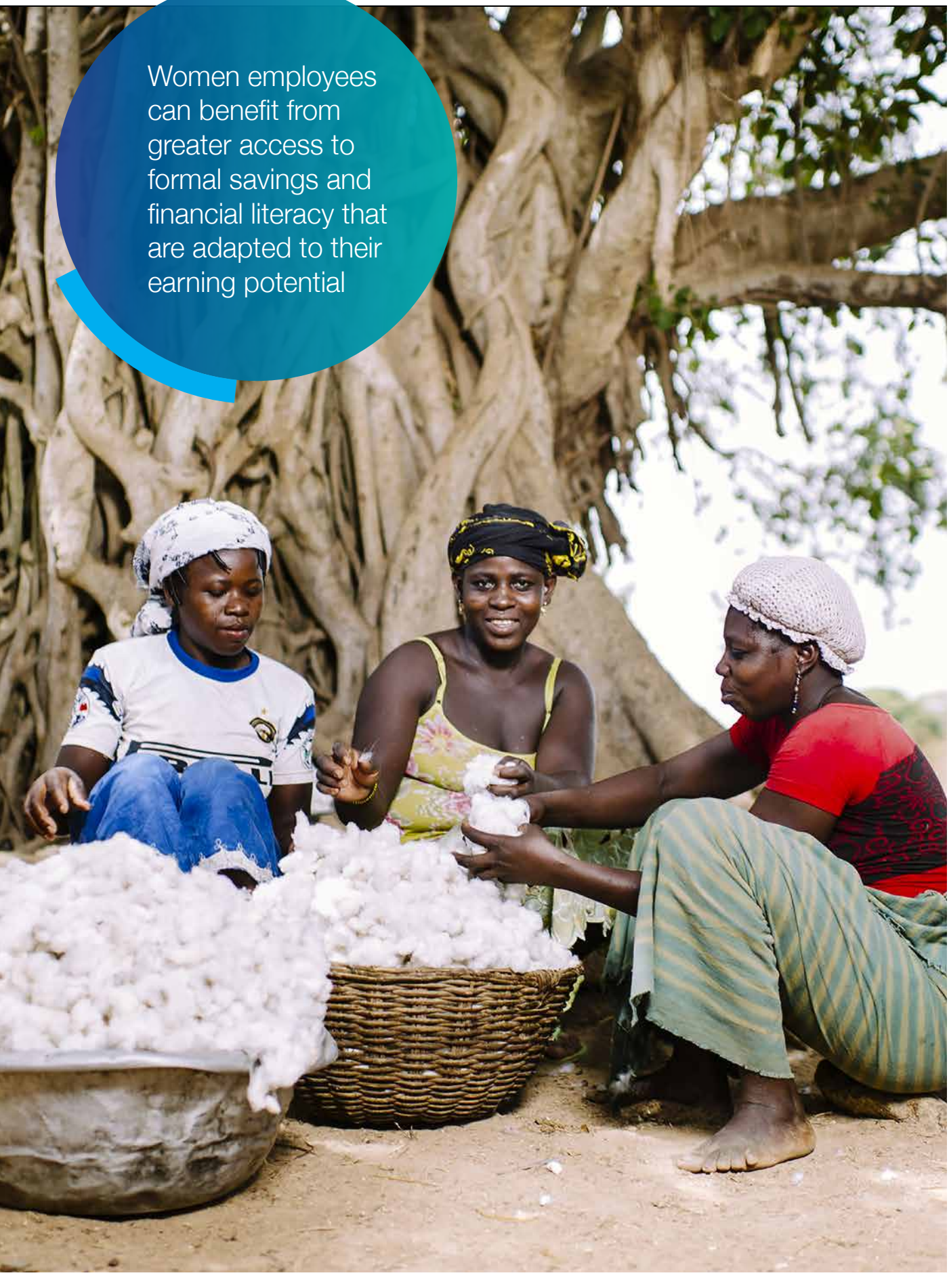
The figure to the left shows the variety of financial tools and non-financial services that could be used by women and girls in The Gambia.

Among women employees, the use of financial services is predominantly informal – for example, saving at home or using credit from a shopkeeper to purchase items for daily consumption. The use of formal savings in a bank account at a commercial bank or at a Credit Union is more limited, with just two participants having bank accounts that their parents opened during childhood.

Going forward, women employees can benefit from greater access to formal savings and financial literacy that are adapted to their earning potential and support them to plan ahead for future emergencies or expenses. They can also benefit from access to digital financial services, which may help increase their uptake of formal financial products.

Two specific needs that financial products can address for employees include:

- Flexible and affordable savings products
- Products to finance health and education



Women employees can benefit from greater access to formal savings and financial literacy that are adapted to their earning potential

CHAPTER

three

PoWER assessment of
Women's Economic Empowerment in The Gambia

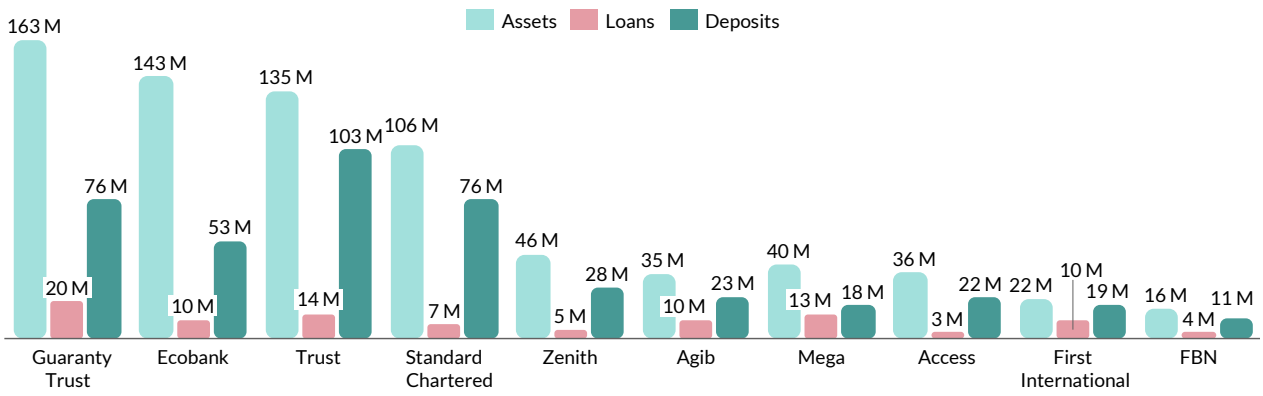
OUTLOOK ON FINANCIAL SERVICES PROVISION TO WOMEN AND GIRLS

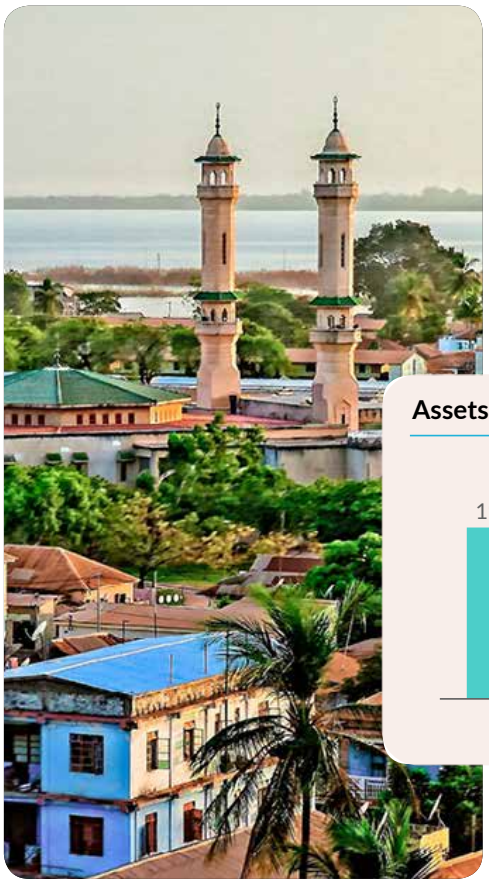
Habitually buffered by government T-bills, commercial banks generally do not serve individual clients, while MFIs are still growing.

Traditionally, most banks and MFIs have focused on holding government securities because they have high rates and are considered risk-free. Banks also work primarily with corporate clients and have limited offerings to individuals and SMEs.

Figure 22: Major commercial banks operating in The Gambia[98]

Assets, loans, and deposits of major commercial banks operating in The Gambia,* USD million



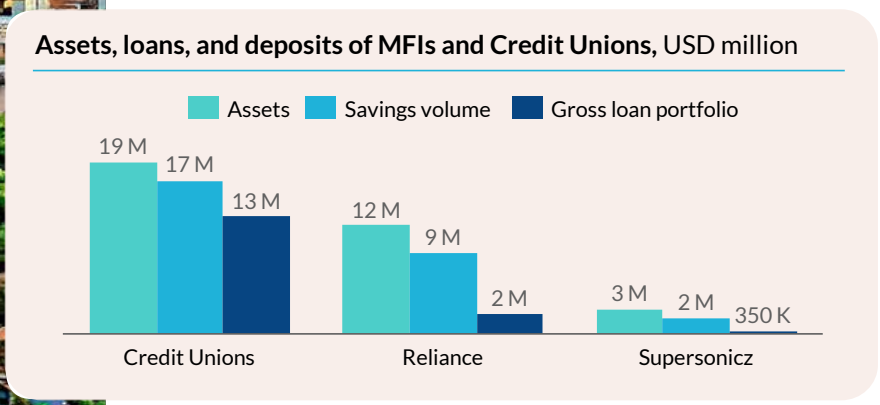


MFIs are still growing.

While Supersonicz has limited operations, Reliance serves 115,000 clients, with sizeable savings volume, but limited loans. The credit unions serve the more rural areas and have mobilized high levels of savings and loans among their 73,000 clients.

Figure 23: MFIs and Credit Unions operating in The Gambia

Assets, loans, and deposits of MFIs and Credit Unions, USD million



98 Data collected from Central Bank of The Gambia during UNCDF Financial Inclusion Scoping Mission

KEY CONSTRAINTS ON THE SUPPLY-SIDE

Several factors on the supply side limit women's financial inclusion – mostly related to limited targeting of women.

Opening an account

Making it easier for individuals to open an account with a formal financial service provider is the very first step to increasing financial inclusion. Proof of identity requirements can prevent women from accessing financial services and may make it more difficult for them to independently own and manage their money.

The requirements involved in opening an account at formal institutions serve as a barrier to women. The key constraint for most financial service providers is that they are limited to accepting only the national ID card, to which only a portion of applicants have access. KYC requirements of the banks tend to exclude women. In rural areas, only 20% of women own an ID card[99] as women are far away from public administration bureaus that process ID applications. For some individuals, obtaining a national ID card can be a difficult process, as they may need to show proof of a parent or grandparent's nationality.[100] Providing collateral is also challenging as women tend to have less access to assets. Access to land is particularly limited as it is generally borrowed from male relatives, as men traditionally inherit land.

Product development

Tailoring products for women is an important way that financial service providers can support financial inclusion – and address the financial needs of women. In The Gambia, women tend to invest in different income-generating activities and spend money differently from men. In rural areas, were agriculture is the main activity, women invest in small ruminants, fertilizer, petty trading, and school fees, while men are more likely to invest in physical assets. They need longer repayment periods on loans. Case studies from the VISACAs have also shown that women are more interested in savings and tend to prioritize liquidity.[101]

99 UNCDF, PoWER Gambia Survey, 2019
100 UNCDF, PoWER Gambia Key Informant Interviews, 2019
101 Ibid.

Product development functions are relatively immature and, as a result, there are very few products tailored to women. The key constraint for most financial service providers to launch additional products targeting women (or SMEs) is limited capacity on their teams to focus on product development, with some financial service providers not having a dedicated team to iterate on products. Most financial service providers do not use a client-centric product development process, so there are few products specifically tailored to women (especially for commercial banks).[102] Financial service providers instead target women indirectly through their SME services, where women are thought to be well-represented among SME owners.

The other constraint to product development is the lack of sex disaggregated data for the financial service providers to understand how products are performing. Financial service providers lack information on where there has been strong uptake among women and other key trends that might spark an idea for a new product.

Those financial service providers that do target women do so by developing products for group banking, where group members co-guarantee each other within a solidarity group, thereby removing then need for collateral.[103] Non-Financial Services are a critical component of these products, and often include training on bookkeeping, literacy training, and meeting management.

Figure 24: Examples of existing products tailored for women[104]

CASE STUDY OF FSP STRATEGIES TO TARGET WOMEN

RELIANCE

FS: Small loans and saving products developed for women specifically; accessible through women's groups based on solidarity mechanism. 700 groups and 32,800 female members

NFS: training on financial literacy, book-keeping and meeting management are provided

Key design features:

- Flexible repayments with grace periods
- Saving goal of 15% min.
- Micro-insurance mechanism in case of death of the beneficiary
- Graduation module allowing bigger loans
- Monthly on-the-field presence from loan officers

SUPERSONICZ

FS: Two programs dedicated to women, including one providing solar water pumps and fence for women horticulture – 150 women have beneficiated from this specific product; over 20 000 women are registered in total in the Women Microfinance Initiative

NFS: basic training on financial management

Key design features:

- Value-chain oriented
- On-the-field presence from field agents

FiBANK

FS: No program to target women per se but the product 'Sakanal" has been greatly adopted by women traders. It is a locally-fabricated metal lockbox for people to save money on a daily basis. The bank's agent holds onto the key until the client wants to access the funds and becomes eligible to open a savings account once a deposit of GMD 500 (USD 10) has been made

Key design features:

- Easily accessible as agents come to the market
- Flexible deposits

102 Ibid.

103 UNCDF, PoWER Gambia Key Informant Interviews, 2019

104 Ibid.

Marketing

Not all financial service providers invest in marketing, with some deprioritizing marketing in favor of the ethos "if you build it, they will come" – assuming that new clients will open accounts because the financial service provider has services available.[105] The main constraint to marketing for financial service providers is the cost associated with reaching underserved communities or geographic areas. The high cost of outreach is coupled with the likely lower returns associated with serving lower-income populations.

A few financial service providers have invested in more aggressive marketing campaigns in urban areas. Some financial service providers have been more forward-leaning with marketing to women through radio programs, training programs, financial literacy programs, and awareness building events.[106] These financial service providers tend to have dedicated teams focused on strategizing and executing marketing campaigns to target specific customer segments and promote key products.

Rural areas are more difficult to reach, and financial service providers are using field officers and agent networks to reach new clients and open new accounts. Most financial service providers ensure that at least a portion of field officers are women (ranging from 20-40% for the financial service providers consulted).[107] Financial service providers cited difficulty recruiting women field officers due to the stigma around women traveling for work being perceived as loose women.

In rural areas, where there are fewer brick and mortar branches, word of mouth and targeting existing women's groups or solidarity groups is the primary marketing tactic used by financial service providers. In most focus groups, most participants who had an account with a financial service provider had opened the account after they (or a friend or family member) had communicated with a field officer. Once the account was opened, it was rare that the individual would switch banks – even five years later.

105 Ibid.

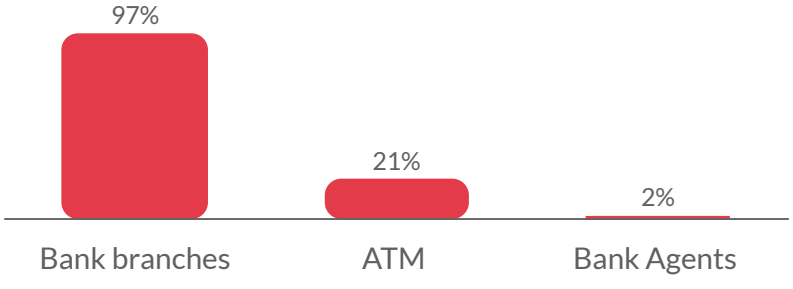
106 Ibid.

107 UNCDF, PoWER Gambia Key Informant Interviews, 2019

Delivery channels

Access points are concentrated in urban areas, and though agent network use has increased, there is a lot of uncovered area. Most branches and outlets are concentrated around the Greater Banjul area.[108] Delivery channels are dominated by a brick and mortar approach that disproportionately covers urban areas.

Figure 25: Access points used by Gambians[109]



From the research, it emerged that there are no specific channels targeting women outside of the use of female field officers and agents by MFIs and commercial banks

Delivery channels are dominated by a brick and mortar approach that dispro-portionately covers urban areas

There has been some expansion to under-served areas using field officers and agent networks, but progress has been slow. Given women's limited mobility, this constitutes a disadvantage for women to access formal financial institutions.

MFIs and Credit Unions have opted to have field officers based in the community that are able to go door-to-door to serve customers, while commercial banks have more limited agent networks. Field officers in rural areas typically deliver basic services to extend the financial service provider's reach beyond the physical branches and outlets.

Financial service providers are increasingly turning towards digital financial services as a cost-effective channel to reach more clients, but uptake has been low. For digital financial services, the low literacy level and cost of a phone with internet connectivity can present major challenges for encouraging uptake in harder-to-reach communities. Access to internet is a challenge, and most digital services are being used in urban areas. The low level of literacy of the population is a significant barrier to further uptake.

108 Ibid.

109 UNCDF, PoWER Gambia Survey, 2019

CHAPTER

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PoWER assessment of
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ENABLING ENVIRONMENT CONSTRAINTS AND ENABLERS TO WOMEN AND GIRLS' FINANCIAL INCLUSION

The Gambia is moving in the right direction –
there have been recent improvements in the enabling environment.

INITIATIVES IN THE FINANCIAL SERVICES SECTOR

Collateral Registry:

The Collateral Registry and Registration System were established by the Central Bank by law in 2014 and became functional in 2016. The registry is a public database that facilitates and records the registration of securities over moveable property (including cars, machinery, furniture, shares of fixed deposit certificate, farm animals, jewelry, farm products, crops, stock in trade) or collateral created by borrowers to obtain credit from lenders. Since its introduction, the registry has supported the banking system and allowed for much more flexibility in how collateral is used.

Agency banking:

The Central Bank can license banks to have agents, which has opened the ecosystem and allows banks to collect deposits from other structures verifying identification documents. However, the uptake is limited with 99% of the survey respondents declaring that they do not have access to agents. A major constraint to agency banking has been the slow progress of developing web-based or mobile platforms to facilitate transactions.

Merchant networks:

There has been the emergence of small bank merchant networks, where financial service providers now develop and manage their own networks. This includes developing relationships with foreign exchange bureaus or shopkeepers who become access points for clients, especially in more remote areas without bank branch coverage. The key challenge is that this is still nascent, as many financial institutions underestimate the need to build a merchant network and are relying heavily on the mobile money operators to do so in the rural areas.

INITIATIVES IN THE BROADER ECOSYSTEM

The **Women's Empowerment Fund** (still under design) will provide access to finance for women's business activities with support from the European Union.

The **Youth Empowerment Project (YEP)** provides entrepreneurship support to Gambian youth through access to finance, financial literacy training, and a mini-grant scheme (partnering with NACCUG) for bankable business proposals. About 150 beneficiaries benefited from the mini-grants to-date and have also become part of a savings scheme. In 2019, YEP also began providing mini-loans with lower interest rates capped at 10% for growth-stage businesses using equity as collateral.

The **Social Development Fund (SDF)** is a fiduciary financial institution that is a wholesale provider of funds to the MFIs and has a mandate to provide capacity building to MFIs. SDF serves as a main mechanism to channel fund activity that should provide increased access to finance at a better rate than what is in the market. Currently, SDF provides a credit line to Reliance to lend to SMEs and women at slightly lower interest rates.

The **Gambia Chamber of Commerce and Industry (GCCI)** collaborates with donors (including GIZ and the International Labor Organization) to support start-ups get access to training on business and account management. GCCI has also started collaborating with financial service providers to develop more accessible financial products for MSMEs and hosts an annual trade fair, with participation from local businesses from around the country.

KEY CONSTRAINTS

Old regulations need to be overhauled to resolve key barriers to the inclusion of women.

These include improving the execution of the Credit Reference Bureau and Collateral Registry, while improving the interoperability of payment systems and facilitating access to land.

Figure 25: Policies and regulations that constrain women's financial inclusion[110]

Regulation		Description
Credit bureaus	🔴	There is a Credit Reference Bureau, but it is not fully functional nor is it a reliable source of credit information
Collateral registries	🔴	The Collateral Registry was started a few years ago to prevent people from registering the same property as collateral. The law also permits out-of-court enforcement and established a collateral registry for the country
Payment systems	🔴	Payment systems still have limited interoperability, particularly between mobile money and bank wire transfers. Players have had difficulty developing e-wallet services as the current regulations do not allow for them
Interoperability	🟡	Although there is interoperability it is still difficult to send money across different platforms, which can serve as a constraint given the multiple actors offering payment services – and further limit the growth of mobile money
Access to land	🟡	Legal regulations and customary rules restrict women's access to and control over assets that can be accepted as collateral, such as land. Customary laws, under which women borrow land from their husbands, families, or other members of the village, still limit women's access to land

🟢 Supportive of women's FI
🟡 Somewhat supportive of women's FI with areas for improvement
🔴 Insufficient to support women's FI

110 UNCDF, PoWER Gambia Key Informant Interviews, 2019

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RECOMMENDATIONS

DEMAND:

Support is needed to drive demand for financial services by increasing awareness and usage of products at scale

- **Financial literacy training:** Low awareness and understanding of financial products was identified as a major gap in women's demand for financial services and products. Actors should work to design and implement effective financial literacy programs, tailored to educate women and girls on financial products and services, financial management, and digital literacy in partnership with financial service providers, local incubators, associations and schools. This would require identifying appropriate channels for implementing the trainings, for example at women's group meetings, local markets, community health clinics, or in parallel with a digital platform.
- **Community mobilization to increase awareness:** The study identified a disconnect between women's feelings of agency and men's perceptions of gender roles. Actors can bridge that gap by working with community leaders to increase awareness of positive use cases of financial products, through work with existing leadership structures, NGO programs (e.g., Tostan Community Empowerment Program), and in collaboration with community leaders to identify products with high potential for uptake in their communities. This would need to include some efforts to identify male allies within communities that may help to shift mindset's about women's agency in using financial products.

SUPPLY:

While many financial service providers still need to understand the value of products tailored for women, some are ready to serve women

- **Business case for women's financial inclusion:** The study found that there is limited initiative taken by financial service providers to provide women-friendly services and products. Actors that want to encourage greater supply of products can develop specific use cases that prove the business case for serving women and that included use cases that address challenges that women face in accessing formal financial services. This can help supply-side players to consider targeting services for rural, typically un/underserved women.
- **Introduction of new products:** Another challenge identified on the supply side was the lack of products targeting women specifically. Actors can set up pilot initiatives with financial service providers that result in tailored products that respond to the most critical needs of women. The initiatives could include 1) providing learning opportunities through business linkages with financial service providers from other countries that have efficiently designed and implemented products for women, or 2) technical assistance to help financial service providers better use data to serve clients from underserved communities, including sex-disaggregated data and economic data about key value chains. This would require strong linkages and programming to be formed between local and regional actors and funding for external consultancies to efficiently analyze data.

- **Capacity building for financial service providers:** Financial service providers have limited marketing resources and capacity to collect and analyze data to develop tailored products. Financial service providers would benefit from technical assistance to help introduce new systems of tracking clients, facilitate and incentivize new product design tailored to women, and support marketing campaigns that are tailored to effectively communicate with the female audience. This can include support in three areas. 1) With account opening, support can be provided to simplify and streamline account opening and user experience via simplified communication or training for improved customer service. 2) Technical assistance could also focus on driving product and service innovation specifically to create women-relevant products, such as a no frills / no cost bank account or guided on-boarding and support through first use. 3) Support can be provided to strengthen and extend cost-effective reach. For example, through support developing strategies to leverage community leaders, support the development of mobile money, or develop more sustainable partnerships with agents.

ENABLING ENVIRONMENT:

Create opportunities for women's financial inclusion in the national financial inclusion strategy, support stakeholder coordination, and develop DFS

- **Including women in the national financial inclusion strategy:** The regulatory environment is inadequate, as the national financial inclusion strategy has not yet been drafted. Stakeholders in the space should advocate for the creation of regulations conducive to women's financial inclusion to be included in the national financial inclusion strategy. This would require active, consistent participation in the working groups that have been initiated for this purpose and participation in the data collection processes that will establish the evidence base for future policy-making.
- **Improving financial infrastructure:** In the enabling environment, there is limited efficiency of the existing regulations, as the Credit Bureau and the Collateral Registry lack functionality. While the Central Bank can improve the execution of these resources to allow financial service providers to better establish debtor information, actors can keep the Central Bank informed of policy or regulatory recommendations that might better facilitate reaching un/under-served female segments.
- **Coordination between stakeholders:** Some of the constraints to women's financial inclusion will require the concerted efforts and collective action of several stakeholders to address. Actors can convene players and key stakeholders in the financial inclusion space to share knowledge and foster collaboration between actors to drive collective and inclusive action in the financial space. This may require brokering partnerships between key actors, finding ways to leverage the resources of GAWFA and the VISACAs, encouraging the emergence of fintech companies, among others.

Research during the pilot may also capture the user's journey with the product and the role social networks play/played in the adoption and usage of the product.

- **Digital financial services ecosystem:** The digital financial services space is nascent yet has the potential to drive women's financial inclusion at scale. Stakeholders should work to develop partnerships around digital finance, bringing together donors and implementors in the financial inclusion space. This could include collectively developing new use cases for digital financial services, incorporating their use in future donor and government programming, or supporting community-level awareness and digital literacy programs.

SPOTLIGHT ON HUMAN-CENTERED DESIGN (HCD) ACTIVITIES

HCD activities can support the development of financial and digital literacy programs and increase community engagement:

- **User research:** This is a process for systematically engaging with target users, in this case women, to establish a holistic understanding of their context, needs, challenges, behavior, capabilities and attitudes to generate solutions that deliver value and resonate with customers. Some potential tools and activities may include:
- **Financial mapping:** To explore how participants leveraged relationships to cultivate opportunities and deal with challenges. The map explores how the individual or household got where it is today, and how they might manage their financial futures in response to a range of possible scenarios. The activity elicits the experiences, relationships, and attitudes that drive financial decisions.

Figure 26: Example of financial mapping exercise

- **Participatory ecosystem mapping:** To map the relationships women believe are important to their economic and financial lives. Ecosystem maps surface opportunities across the ecosystem to address vicious cycles and perverse incentives, as well as to improve or leverage positive aspects of relationships. The activity helps explore how participants leveraged relationships to cultivate opportunities and deal with challenges, which can inform digital and financial literacy engagement models.
- **Co-creation and ideation sessions:** To ensure community buy-in and raise awareness in new initiatives. Ideation is the creative process of generating, developing, and communicating new ideas that meet users' needs and aspirations, including but not limited to innovative product and service concepts. Ideation typically involves three steps: 1) framing the ideation prompts, 2) lateral thinking to generate as many product and service concept ideas as possible, and 3) prioritization of most interesting or compelling ideas for further exploration and development.

HCD activities can enable service providers to develop their business models and effectively roll out services to users

- **Use cases:** To understand the real-world scenario in which a target user is likely to use a product or service. A single product or service may have multiple use cases. Each use case is represented as a sequence of simple steps, beginning with a user's goal and ending when that goal is fulfilled. By gaining clarity around the real-world use case for financial services, design teams can more easily understand and build to meet user needs and desires, or address pain points.
- **Concept testing and rapid prototyping:** To refine and validate the concept or generate new concepts. Prior to the pilot, teams should use concept testing and rapid prototyping to evaluate the product or service by directly testing it with users, focusing on the product's ability to meet users' needs and fit into their lives so adoption is easy and natural. Concept testing and rapid prototyping for digital products will often include wireframes. Concept testing and rapid prototyping for non-digital products might include role playing.
- **Piloting**: To understand how the product or service is being understood and use. User research during the pilot should focus on the actual experience of women with the launched product, how it fits into their financial lives, how appropriate it is considering their economic and social context, how it compares to informal channels or other products they may be using. Research during the pilot may also capture the user's journey with the product and the role social networks play/played in the adoption and usage of the product.

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ANNEX

OVERVIEW OF RELEVANT POLICIES AND REGULATIONS

Policies and regulations related to financial inclusion[111]

Main Strategy & Policy Documents	Comments
The Gambia overall development performance	
National Development Plan (NDP) 2018-2021	Creates an appropriated framework: i) Highlights the importance of financial inclusion and digital finance ii) Focuses on private sector as a driver of growth and on women empowerment as a critical enabler
National Financial Inclusion Strategy (NFIS)	Upcoming - draft document
National Entrepreneurship Policy, 2016	Highlights both i) Access to finance issues and ii) WEE
The Gambia National Microfinance policy, 2012	Formulates a common vision and an enabling economic environment for the development of microfinance
Main opportunities for the development of FI	
Regulatory framework generally favorable for FSPs to use digital financial services	i) Interoperability and the use of agents are allowed ii) No exclusivity clause iii) Regulation favorable to consumer protection and privacy norms
Creation of GAMSWITCH	Established by the Central Bank of The Gambia to upgrade the retail electronic payment infrastructure. Service offering needs to be improved
Main challenges for the development of FI	
Absence of demand- and supply-side data	i) Difficult for the Government and the Central Bank to evaluate and promote financial inclusion Ii) Difficult for FSP to develop well-suited demand driven products
Strict Know-Your-Customer requirements (KYC)	Account opening at banks and NBFIs are difficult
Insufficient regulation of MMO	Regulation will not be sufficient when new products such e-commerce, micro-insurance and micro-pension product will develop

Policies and regulations related to gender equality and women's economic empowerment

Main Policy Documents	Comments
National Development Plan (NDP) 2018-2021	i) Focuses on women empowerment as a critical enabler Ii) Adopts an economic, political and social prospective
Women's Amendment Act, 2015	Criminalize Female Genital Mutilation
Women's Act 2010	Obligation for the Government to protect women from violence, ensure equality and protect women's rights, including the right to dignity and integrity of their persons
Gender and Women Empowerment Policy, 2010-2010	-
The National Policy for the Advancement of Gambian Women (NPAGW)	-
The National Women Council Act, 1980	-

111 UNCDF, 2018, Regulatory Assessment for the Central Bank of The Gambia

STATISTICS ON THE GAMBIA

Key Statistics[112]

Population: 2,100,0001

Religion: Muslim 95.7%, Christian 4.2%, none 0.1%, no response 0.1%2

Ethnicities: Mandinka 34%, Fulani 22.4%, Wolof 12.6%, Jola 10.7%, Serahuleh 6.6%, Serer 3.2%, Manjago 2.1%, Bambara 1%, Creole 0.7%, other 0.9%, non-Gambian 5.2%, no answer 0.6%3

Poverty rate: 48.4% of total population live under the National poverty line 20104

Female demographics: 809,771 (population aged 10 and older)5

Age at marriage: 19.36

Age at childbirth: A mother median age at first birth is 20.97

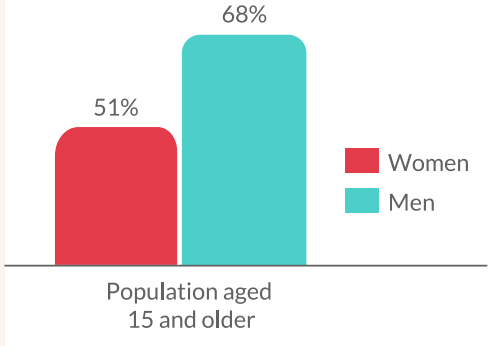
Sex ratio: 1.03 male births per female births8

Female legislators : 10% of seats held by women in national parliament 9

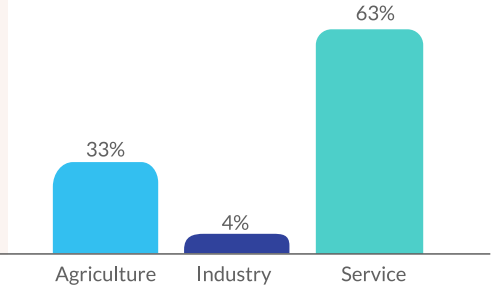
Comparative income: women's gross national income per capita is estimated to PPP $ 1,168 versus 1,870 for men10

Life expectancy at birth: women's life expectancy is 62.8 compared to 60.1 for men11

Labor Force Participation by gender,2017



Women's employment by sector, 2017



Basic indicators[113]

Key dynamics shaping women's empowerment and financial inclusion	Data
The Gambia overall development performance	
Ranking in the Human Development Index[1]	174
% of population living below the income poverty line (ppp $1.9)[2]	70.5%
% of population living in multi-dimensional poverty[3]	55.3%
% GDP contribution of key sectors to the economic growth of the country[4]	Services: 66% Incl. Tourism: 30.3%
Women's participation in the economy and society	
% women headed households[5]	22.3%
Literacy rate (broken down by gender)[6]	Overall: 55.1%: Men: 65.9%, Women: 45%
Paid employees[7]	Men: 30%, Women: 15%
Employer[8]	Men:2%, Women: 1%
Own-account worker[9]	Men: 53%, Women: 70%
Contributing Family worker[10]	Men: 12%, Women: 14%
Informal employment[11]	Men:55.3% , Women: 73.8%

112 [1,8] UNDESA, World Population Prospects, 2017; [2, 3, 4, 7] Indexmundi, 2018, The Gambia, [5] World Bank, 2016 ; [6] World Bank, 2013; [9] Gambia National Development Plan, 2018-2021; [10,11] UNDP, 2018; [12] ILO Stat Database, 2018, [13] World Bank, Gender Data portal, 2017

113 [1,3] UNDP, 2018; [2] World Bank WDI and Macro Poverty Outlook, 2016; [4] African Development Bank, African Economic Outlook, 2018; [5] IndexMundi, 2013; [6] Gambia National Development Plan, 2018; [7; 8; 9; 10; 11] Gambia Bureau of Statistics, The Gambia Labor Force Survey - 2012

LIST OF ORGANISATIONS CONSULTED

Organization
Gambia Chamber of Commerce and Industry
Gambia Youth Chamber of Commerce and Industry
National Enterprise Development Initiative
National Youth Council
Social Development Fund
Empretec Gambia
Gambia Tourism Board
Ecobank
Fibank
Trust Bank
Supersonicz Microfinance Ltd.
Reliance Microfinance Ltd.
Qmoney
Africell
VISACA
GAWFA
National Association of Cooperative Unions
International Trade Center
Food and Agriculture Organization

World Bank
Ministry of Women, Children and social welfare
UNICEF
UNDP
Farm Money

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