



PoWER Women and Girls Financial Inclusion  
Country Assessment  
**Bangladesh**



Prepared by Dalberg Global Development Advisors  
19<sup>th</sup> June 2017 (revised August 2017)



# Executive summary (1/6)



**In Bangladesh, financial inclusion increased by 6% between 2014 and 2015<sup>1</sup>, driven by the growth of mobile money. However, the gender gap has increased from 3% points to 10% points over the same time period.<sup>2</sup>** This matters because women's and girls' financial inclusion can contribute to their economic empowerment. Evidence from Bangladesh shows that financial product usage leads to an increase in self-confidence and greater involvement in household spending, investment in productive resources such as health and education, and economic opportunities through participation in associations.

**To address the gender gap, UNCDF has developed a global "PoWER"<sup>3</sup> strategy** to drive women's and girls' economic empowerment through improving their access to, usage of and control over financial services. UNCDF has developed a **comprehensive toolkit** to support the PoWER strategy. The toolkit has been deployed in multi-country assessments to gain a deeper understanding of the country specific constraints that women and girls face in Bangladesh, Ethiopia, Myanmar, Senegal and Tanzania. The PoWER country assessment toolkit is available as a public good to deepen understanding of these constraints in other countries.

**This document presents the results of UNCDF's country assessment in Bangladesh** through the toolkit: desk research, 22 key informant interviews, 5 focus group discussions and a survey of 400 women and girls.<sup>4</sup> Together, this analysis seeks to understand key constraints and enablers of women's and girls' access, usage, control and agency over finance in Bangladesh across supply, demand and the enabling environment. The structure of the report is as follows:

- 1. Introduction.** What are the key macro-trends in financial inclusion in Bangladesh? What are the micro-insights about women and girls and their needs?
- 2. Access.** What are the key constraints and enablers of women's and girls' access?
- 3. Usage, Control and Agency.<sup>5</sup>** What are the key constraints and enablers effecting women's and girls' usage, control and agency over products and services?
- 4. Stakeholder analysis.** Who are the key stakeholders in the financial inclusion ecosystem, what is their focus and where are the gaps?
- 5. Recommendations.** Based on the constraints and stakeholder analysis, what opportunities exist for UNCDF to support stakeholders currently engaged with women's and girls' financial inclusion?

[1] Financial inclusion refers to registered financial service use. Intermedia: Financial Inclusion Insights (2014) [2] Digital divide is the likely cause: registered mobile money grew by 80% between 2014-2015, yet only 4% of women have registered accounts vs 13% for men (Ibid.); [3] Participation of Women in the Economy Realized; [4] Girls refers to adolescents between 10-24 years of age; Country research engaged in- as well as out-of-school adolescent girls.

# Executive summary (2/6)



## 'Who is she'?

**Women and girls can be segmented based on (a) their lifecycle stage and (b) their economic strategies.**<sup>1</sup> The key lifecycle stages identified in Bangladesh are (i) school transitions, (ii) marriage, (iii) being employed and (iv) building a family. The financial needs at these stages are largely unmet by formal products. As such, informal coping mechanisms often fill product gaps. For example, dropping out of school for child marriage is a common coping mechanism for familial financial hardship with over 50% of girls are married before the age of 18.<sup>2</sup> Women and girls also occupy economic roles, which expose them to various financial needs and challenges. For example, female garment workers who migrate from rural to urban areas for factory work face burdensome rent expenses, whilst female farmers face weather-induced harvest shocks. This report focuses on (i) adolescent in-school girls (ii) adolescent out-of-school girls (iii) garment workers (iv) MSME entrepreneurs and (iv) farmers. All women and girls face barriers in accessing, using and controlling finance with reference to the groups noted.

## Access considerations

**In terms of access points, women and girls benefit from Bangladesh's well established microfinance institution (MFI) networks and are largely comfortable with their loan officer models. However, women and girls are disadvantaged compared to men in their access to retail banking and mobile financial services.** In terms of the former, women and girl's more limited time and mobility restricts access to brick-and-mortar bank branches.<sup>3</sup> Meanwhile although growth in mobile/networks have expanded accessibility across the country, more than 95% of agents are male<sup>4</sup> which raises safety/security concerns for women and girls. Furthermore, women's phone ownership is considerably lower than men's (48% compared to 79%).<sup>5</sup> Poor digital literacy skills are also a barrier for women's and girls' access to and usage of mobile financial services (66% of women rank "low" in digital literacy, compared to 24% of men).<sup>5</sup> Promising practices through financial service providers include (a) improving gender-sensitivity and security of agent touchpoints by altering transaction processes so women and girls are required to give minimal personal information to agents and (b) targeting adolescent girls as an entry point to channel digital literacy interventions to their mothers (i.e. teaching girls who then teach their mothers).

[1] For example, saving for marriage is a critical need for adolescent girls in Bangladesh, whilst adult household managers have high liquidity needs to cover health and education expenses for family members. [2] Human Rights Watch: Marry Before Your House is Swept Away: Child Marriage in Bangladesh (2015) [3] Moreover, more than 50% of retail bank branches are in the urban areas of Dhaka and Chittagong. Hasan et al.: Financial Inclusion Index at District Levels in Bangladesh: A Distance-based Approach (2016) [4] Microsave: Agent Network Accelerator Surveys (2015) [5] Intermedia: Financial Inclusion Insights (2014)

# Executive summary (3/6)



## Access considerations (cont.)

**In terms of access requirements, uncollateralized retail bank loans are particularly challenging for women entrepreneurs to meet.** This is mainly attributable to a lack of standardization in documentation requirements by the central bank, and thus discretionary interpretation on the part of banks to specify requirements for multiple guarantors, trade licenses, tax certificates, business and bank statements. These are particularly challenging for female entrepreneurs given the informality of their businesses. By contrast, MFI requirements are less stringent e.g. by accepting alternative IDs (such as birth certificate) to national ID cards and simplified application forms, and thus their practices can inform the kind of tiered KYC regimes other financial service providers could consider.

## Usage considerations

**Beyond access constraints, ill adapted product features and lack of control limit women's and girls' financial usage.** Maximum loan amounts for MFI products/number of loans and the lack of support to graduate to retail lending limit female entrepreneurs who need to borrow more than MFI amounts to scale their businesses.<sup>1</sup> Meanwhile, accounts with withdrawal restrictions are not matched to women's and girls' unpredictable liquidity needs whilst gaps in health insurance offerings mean insurance penetration among women is just 7%.<sup>2</sup> Furthermore, USSD-based menus on English language phones hinder mobile money usage for less digitally literate women and girls. Lack of control over the use of financial products also emerges as a key theme in Bangladesh. Across all products, more than 45% of surveyed women share control over usage with their husbands.<sup>3</sup> This increases with loans - 85% of surveyed women share control of loans with their husbands.<sup>3</sup>

**Products do not meet needs given a weak culture of using sex-disaggregated data to inform product design.** While some sex-disaggregated financial inclusion data is required by the Central Bank from financial service providers, there are gaps in mobile money, financial literacy and at the credit bureau level.<sup>4</sup> Monitoring and enforcement of the execution of these policies is also weak. Even where financial service providers do collect data, they rarely use the data to better tailor product offerings to the needs of the women's and girls' market due to a **lack of awareness of women and girls as a viable customer segment beyond microfinance.** However, some stakeholders are working to improve usage especially amongst garment workers to support digitization of wages (Dutch Bangla Bank), guaranteeing loans of their employees (Mohammadi Group), and helping women to get national IDs (Awaj Foundation).

[1] MFI loans typically do not exceed 100,000 taka (approximately 1200 USD); [2] Intermedia: Financial Inclusion Insights (2014) [3] UNCDF Dalberg Bangladesh Country Assessment Survey (2017) [4] AFI: Leveraging sex-disaggregated data to accelerate progress towards women's financial inclusion (2017)

# Executive summary (4/6)



## Stakeholder analysis

Stakeholder groups can be analyzed based on their relative focus on demand-side, supply-side and enabling environment issues: **(i) civil society and international organizations** are focused on building women's and girls' capabilities, advocating to financial service providers to improve women's and girls' access and with some work on agency<sup>1</sup> issues but there is a gap in focus on social norms as they pertain to financial inclusion; **(ii) the supply side landscape** beyond MFIs reveals a fragmented interest in female customers; raising awareness and providing incentives will be key to building the capacity of FSPs to deepen product penetration with women and girls; **(iii) amongst government stakeholders**, commitment to women's and girls' financial inclusion is fragmented and limited by weak capacity; building the capacity of the central bank to monitor and enforce regulations will be critical; **(iv)** there are some nascent gender-focused practices among **private sector actors** in the ready-made garment sector through digital wages.

## Recommendations

At a high level, our analysis has identified **(i) the supply of products and services tailored to women and girls**, and **(ii) promotion of the use of sex-disaggregated financial inclusion data** as broad strategic focus areas, and ready-made garment (RMG), handicraft and agriculture as important sectors for female employees and MSME owners.

### **1. Supply-side recommendations:**

#### **Access**

- Build capacity and offer innovation funding to mobile money (MM) providers and agent banking providers to improve gender sensitivity of agent networks for e.g. through using MFI loan officer networks, offering gender trainings to male agents
- Build capacity and offer innovation funding to MM and agent banking providers to pilot ways to improve security of transactions for women and girls e.g. through modifications to what personal details are disclosed, such as SureCash's demand for only a/c numbers

#### **Usage**

- Research and disseminate context-specific business cases to advocate for tailored products (savings, credit, insurance and wage payments) to women's and girls' needs, particularly in specific economic roles

[1] Agency in the context of financial inclusion is defined as having control over usage of financial products and services.

## 1. Supply-side recommendations (cont.)

### Usage

- Offer innovation funding to incentivize FSPs, MM and insurance providers to collect and use sex-disaggregated data to understand customer journeys and to pilot products (savings, credit, insurance, and wage payments) for women and girls bundled with non-financial services to support women's and girls' uptake of retail/non-MFI products
- Facilitate partnerships between MFIs and MM providers, and offer innovation funding to pilot the digitization of MFI transactions, using established MFIs with large female customer bases e.g. Shakti, ASA as entry points for deepening digital financial inclusion
- Facilitate partnerships between MFIs and retail banks and offer innovation funding to run pilots to support women MSME owners' 'graduation' from the former to the latter through tiered KYC requirements that recognize the informality of women's businesses

## 2. Demand-side recommendations:

### Access/Usage

- Build capacity and offer innovation funding to MM providers, civil society and factory owners to bundle key payments with literacy trainings and link these to savings plans e.g. digital school fee/wage payments for adolescent girls and garment factory workers as using these segments as entry points to deepen women's and girls' digital financial inclusion
- Partner with civil society organizations to build capacity of women MSME owners in tandem with advocacy to FSPs on alternative account opening/documentation requirements building on existing efforts of women's business chambers such as BWCCI

## 3. Enabling environment recommendations:

### Access/Usage

- Build capacity of Bangladesh Bank to effectively monitor and enforce the execution of existing gender-sensitive policy concessions such as 15% MSME refinancing policy for women and women-only customer desks at retail banks; provide consultation support for draft national financial inclusion strategy and involvement of gender experts

### 3. Enabling environment recommendations (cont.):

- Support the central bank to implement a gender sensitive and female targeted approach in its national financial inclusion strategy and deliver on its commitments. e.g. identify key implementing partners, set interim milestones, and design M&E framework
- Convene government with non-government stakeholders to bridge information gaps on the realities of women's and girls' financial inclusion 'on the ground' to ensure government accountability to enforcement of policies and reforms

### 4. Agency/social norms recommendations:

- Partner with civil society organizations to build "the business case for communities" to engage men, boys & local communities on the importance & value of women's and girls' FI using the methodology of Asia Foundation to engage through imams and imams' wives
- Build capacity of CSOs to raise awareness of the negative implications of child marriage, as well as vocational institutions that can offer 'alternative pathways' to early marriage

### **Finally, a number of research questions<sup>1</sup> have also emerged, pointing towards a broad learning agenda for Bangladesh:**

- What is the market opportunity for specific products for specific segments of women and girls in Bangladesh?
- What particular actions/events/initiatives/people have enabled women and girls to overcome barriers to financial inclusion? i.e. How can we understand the enabling dynamics of access, usage, control and agency?
- What are good practices in implementing, monitoring and enforcing policy and regulatory reforms to advance women's and girls' financial inclusion?
- What are the most effective methods to shift intra-household social norms in Bangladesh?

[1] More specific sub-research questions within each of these broad questions are listed on slide 72

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# As of 2016, UNCDF's mandate in Bangladesh has started to focus on inclusive finance



## Background

- UNCDF has been operational in Bangladesh since 1982, with a focus on grant financing to improve local agriculture, decentralization and local service delivery
- Currently, UNCDF Bangladesh is under the aegis of the United Nations Development Assistance Framework (UNDAF) framework for coordinated, cooperative action among different UN agencies. The UNDAF 2017-2020 framework works in close collaboration with the Government's 7th Five Year Plan 2016-2020, to advance the Sustainable Development Goals.
- UNDAF's operative agenda includes policy and advocacy, capacity development, technical assistance and facilitation of partnership building, which keeps the government central to its efforts.

## Local Development Finance and Inclusive Finance

As of 2016, UNCDF in Bangladesh has added programming from inclusive finance practice area to advance 'last mile' finance models that further the use of public and private resources domestically to ensure economic development:

### Financial Inclusion practice area:

- The Financial Inclusion practice area launched the **Shaping Inclusive Finance Transformations (SHIFT) programme**, in collaboration with the South Asian Association for Regional Cooperation (SAARC), to drive financial inclusion and women's economic participation.

### Local Development Finance practice area:

- The Local Development practice supports the **Local Climate Adaptive Living Facility (LoCAL) programme**, which finances climate resilient infrastructure and builds capacity for local grassroots.
- The UNCDF initiative in **Inclusive Economic Local Development (IELD) programme** works with government and private sector actors to catalyse local, public and private investments, particularly to advance women's economic empowerment and entrepreneurship.
- Bangladesh UNCDF has been piloting an innovative **Municipal Investment Financing (MIF) programme** to develop financing instruments, such as Public Private Partnerships and Municipal Bonds, that diversify and aggregate municipalities' financial base beyond annual grants provided by the central government.

# UNCDF is seeking to understand how country access, usage & control is affecting women & girls



## CONTEXT AND BACKGROUND

- **UNCDF is seeking to gain a deeper understanding of country specific issues that women and girls face to access and use financial and non-financial services to enhance their economic opportunities**
- This assessment examines **access and agency** as well as the **supply, demand-side and structural barriers** that women and girls face when accessing and using financial services.
- The outputs of this results focused research are **(i) country assessment toolkit and ii) the individual country assessments** conducted using that tool. These will be considered public goods

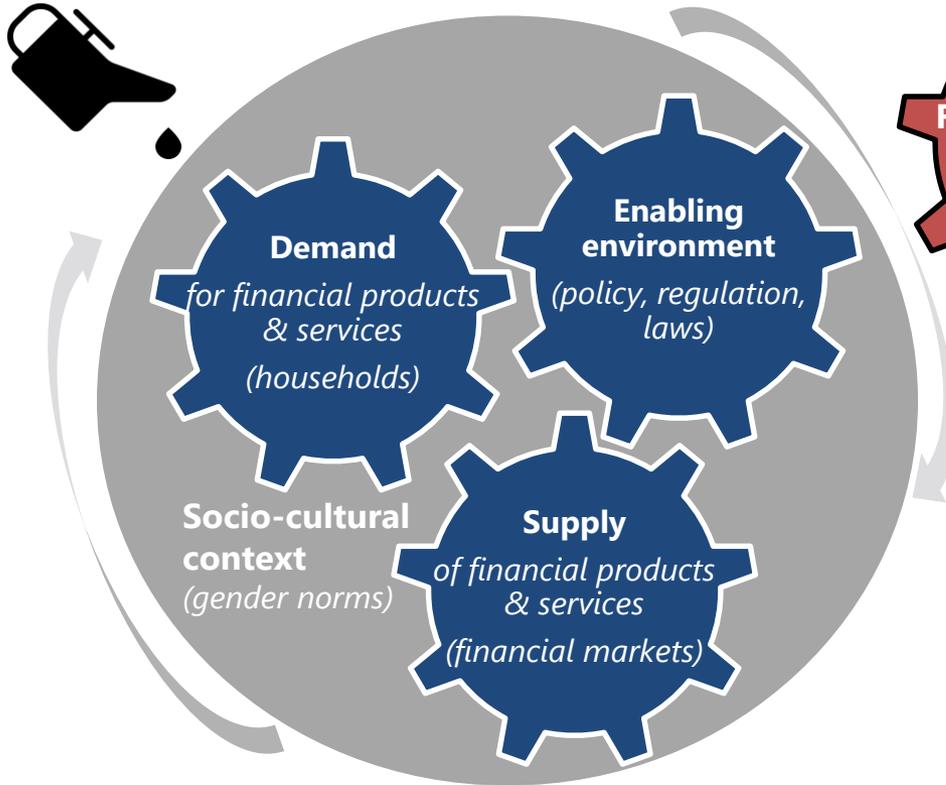
## OBJECTIVES OF STUDY

- This study is focused on **conducting country specific assessments** in 5 countries including Tanzania, Senegal, Ethiopia, Bangladesh and Myanmar. The present **Bangladesh** report:
  1. **Identifies** key macro-trends in financial inclusion in Bangladesh related to women's and girls' financial needs, as well as micro-insights on various segments of women and girls<sup>1</sup>
  2. **Formulates** key constraints and enablers of women's and girls' access, as well as key constraints and enablers effecting women's and girls' usage, control and agency over products and services
  3. **Identifies** key stakeholders in the financial inclusion ecosystem, their focus and their gaps
  4. **Determines** opportunities for UNCDF to intervene and engage with stakeholders to further advance women's and girls' financial inclusion

[1] Girls are defined as 10-24 year olds in this study.

# The PoWER analytical framework anchors on supply, demand, & enabling environment

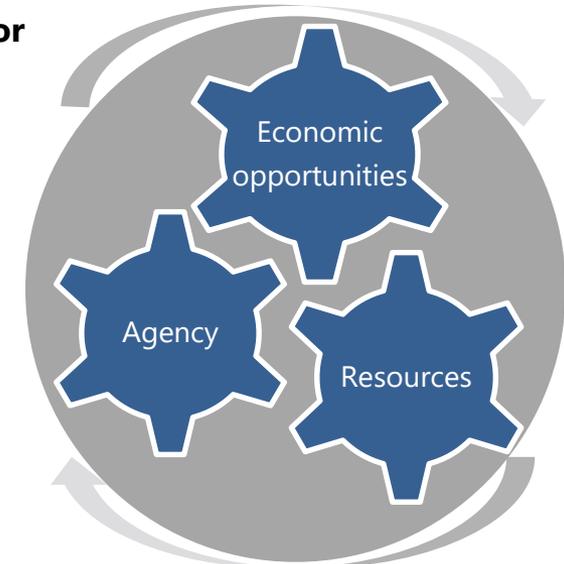
1 Interventions across three spheres of influence, adapted to women's lifecycle needs and economic roles....



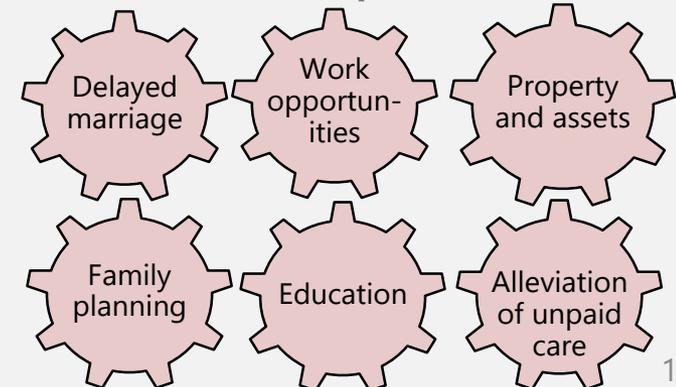
2 ...Drive financial inclusion for individual women and girls....



3 ...Leading to their economic empowerment

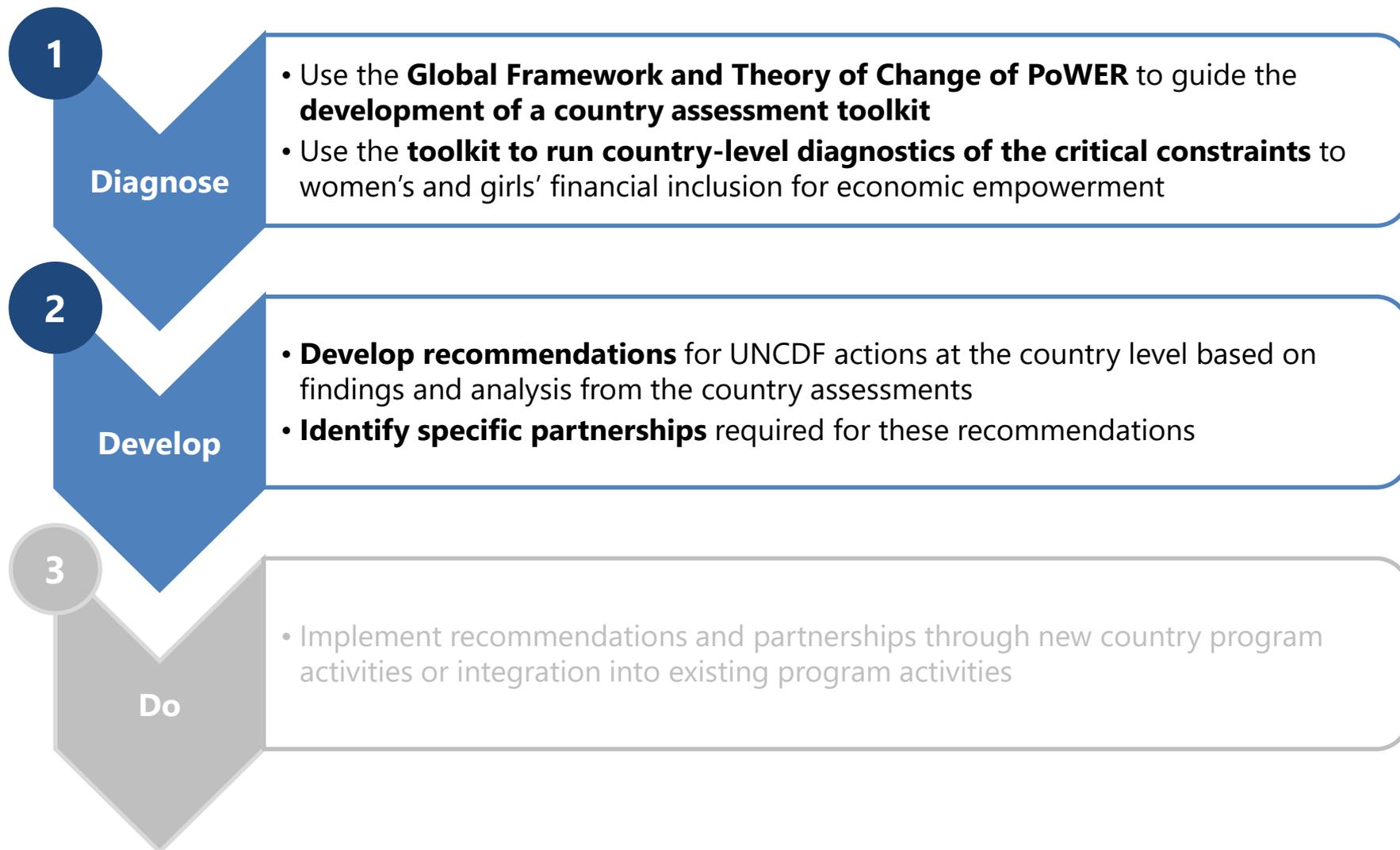


Other drivers of women's economic empowerment<sup>1</sup>



[1] A recent Gates Foundation study highlighted 6 other key drivers of WEE.

# The operationalization of PoWER will be part of a 3 stage process; this report focuses on stages 1 & 2



# The PoWER country assessment toolkit has been built to bring together insights across 4 sources<sup>1</sup>



Recognizing existing survey data and research on financial inclusion in Bangladesh, this country assessment intends to add value through the use of a multi-dimensional toolkit that brings together qualitative and quantitative insights and that also probes less researched areas e.g. women/girl segment analysis and agency issues.

	Tool	Description	Source
	<b>DESK RESEARCH</b>	Secondary data capture tool to collect existing public information	Country level research and datasets by international/local financial inclusion actors
	<b>KEY INFORMANT INTERVIEWS</b>	Semi-structured interview tool to validate and poke holes in desk research information	<b>22 interviews</b> with FSPs, governments, civil society and industry associations conducted in May 2017
	<b>HCD INSPIRED FOCUS GROUP DISCUSSION</b>	Primary qualitative interview tool to elicit a conversation around needs, barriers and motivations	<b>5 FGDs</b> with women farmers, entrepreneurs, employees and adolescent girls (in and out-of-school) conducted in May 2017
	<b>QUANTITATIVE SURVEY</b>	Primary quantitative survey tool to quantify key indicators of constraints and enablers building off of existing Findex/Finscope/Financial Inclusion Insights questionnaires	<b>Survey with 400 women and girls</b> (rural/urban, married/unmarried, age) conducted in May 2017

[1] The PoWER toolkit methodology combines and prioritizes the insights gained from each of the four tools into evidence-based findings and recommendations 13

# The survey was conducted among 400 women across Bangladesh, representative of geographical distribution



Regions	Sample size
Dhaka Metro	40
Chittagong Metro	20
Rajshahi Metro	20
Gazipur Zila	20
Kishoreganj Zila	20
Munshiganj Zila	20
Mymensingh Zila	20
Rajbari Zila	20
Brahmanbaria Zila	20
Chittangong Zila	20
Feni Zila	20
Habiganj Zila	20
Jhalokati Zila	20
Kushtia Zila	20
Magura Zila	20
Chapai Nawabganj Zila	20
Naogaon Zila	20
Dinajpur Zila	20
Kurigram Zila	20
<b>Total</b>	<b>400</b>

Age group (years)	Percentage
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	<26	35%
	26-50	54%
	50+	11%

Geography	Percentage
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	Urban	20%
	Rural	80%

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### **Financial inclusion macro snapshot**

Financial inclusion micro snapshot: "who is she?"

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Usage, Control and Agency

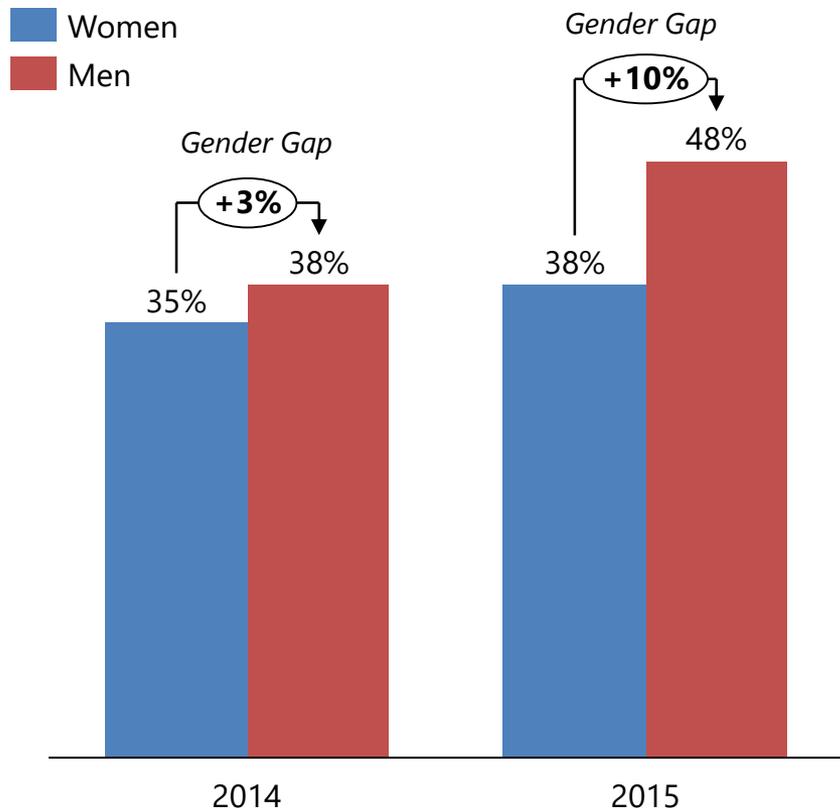
Stakeholder analysis

Recommendations

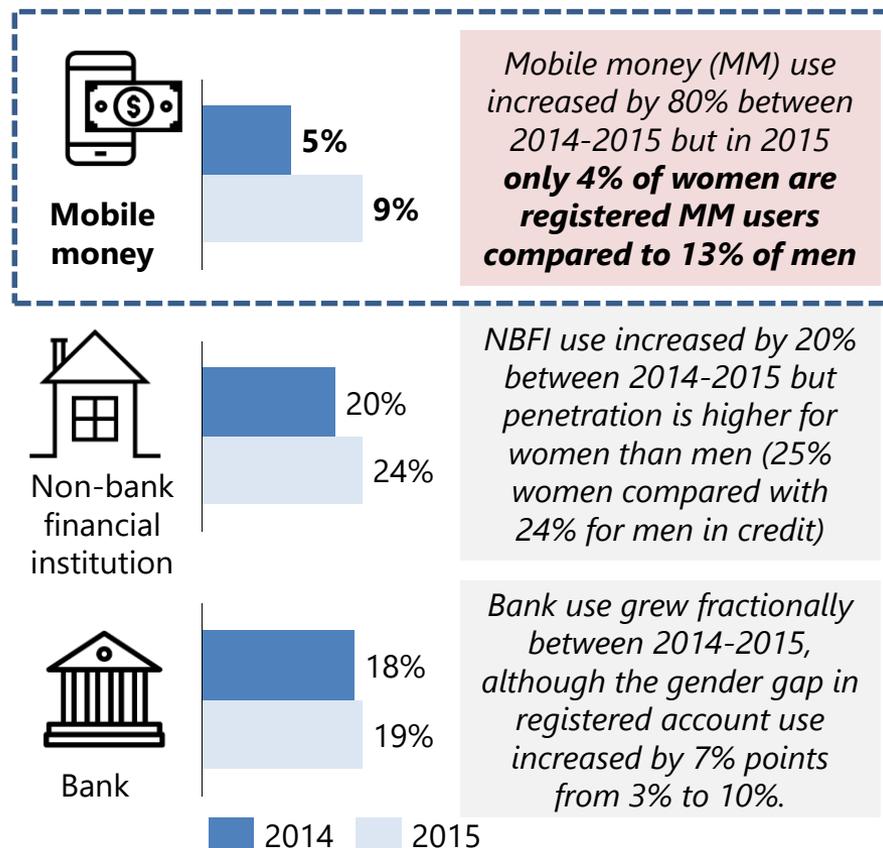
Annex

# The gender gap in financial service use is 10% points; unequal growth in mobile is leaving women behind

Registered financial service use by gender (% of adults)<sup>1</sup>



Growth in financial product use by channel (% of adults)<sup>1</sup>



Overall financial inclusion has increased from 37% to 43% between 2014-2015,<sup>2</sup> driven by greater penetration of mobile money and non-bank financial institutions. However, the gender financial gap has widened from 3% points to 10% points between men and women given the digital divide for mobile.

[1] n=6000 in both years. Intermedia: Financial Inclusion Insights (2014, 2015) [2] Defined as registered financial service use.

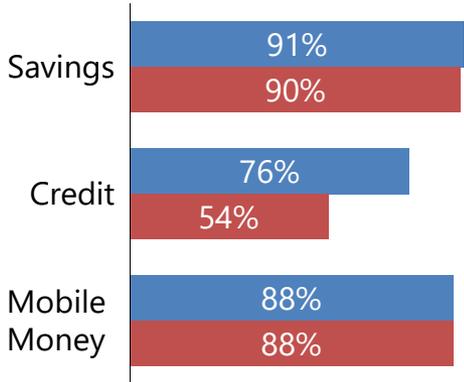
# This matters because greater financial inclusion can contribute to women's and girls' economic empowerment

## Measuring how financial inclusion relates to three components of women's economic empowerment: agency, resources, economic opportunities<sup>1</sup>

### Agency

How has use of financial products affected household spending and affected your self-confidence?<sup>1</sup>

% n=140 women (credit) 152/4 (savings), 65/67 (mobile money)

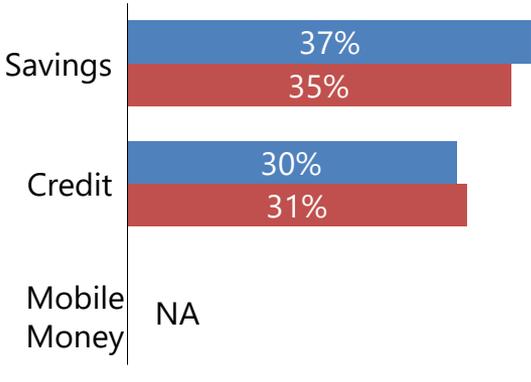


Large majority of women report greater agency with use of mobile money (88%), credit (>54%) and savings (>90%)

### Resources

What do you save or borrow for?<sup>1</sup>

% n=88 women (savings), 140 women (credit)

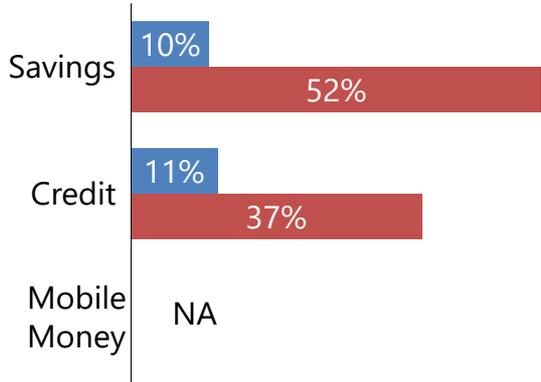


Over one-third women use savings for education/medical expenses, while under one-third use credit for the same

### Economic opportunities

What have you been able to do as a result of savings/credit?<sup>1</sup>

% n=152 women (savings), 140 (credit)



Over half of women have used savings to join/grow an association and just over one-third women have used credit for the same

More involvement in HH spending  
More self-confidence

Education  
Medical expenses

Start/grow a business  
Join/grow an association

[1] Women's economic empowerment as defined in the PoWER analytical framework. UNCDF Dalberg Bangladesh Country Assessment Survey Data (2017).

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Financial inclusion macro snapshot

**Financial inclusion micro snapshot: “who is she?”**

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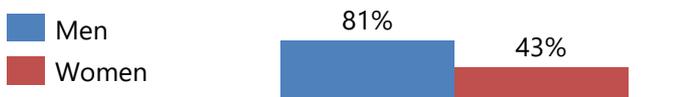
# In Bangladesh, less than half of women participate in the labour force compared to more than 80% of men



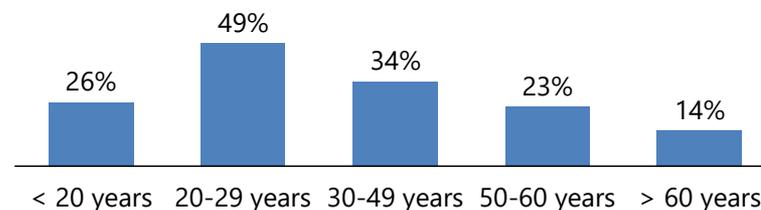
## Key country statistics

- **Population:** 161 million<sup>1</sup>
- **Religion:** 89% Muslim, 10% Hindu<sup>2</sup>
- **Ethnicities:** 98% Bengali<sup>2</sup>
- **Poverty rate:** 31% of population live under national poverty line<sup>3</sup>
- **Female Demographic:** 49.52% female; 13.7 million female adolescents between 10-19 years<sup>2</sup>; 12.5% female-headed households
- **Age at marriage/childbirth:** 29% of girls are married before the age of 15 and 52% by the age of 18<sup>2</sup>; women's median age at first birth is 18.5<sup>2</sup>
- **Life expectancy:** 72.9 years (women); 70.3 years (men)<sup>4</sup>
- **Sex ratio:** 1.04 male to female at birth<sup>2</sup>
- **Literacy:** Women-58.5%, Men-64.6%
- **Female legislators and managers:** 20%<sup>5</sup>

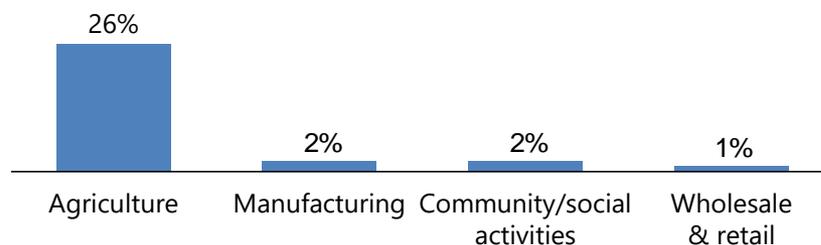
## Labor force participation by gender (2016)<sup>6</sup>



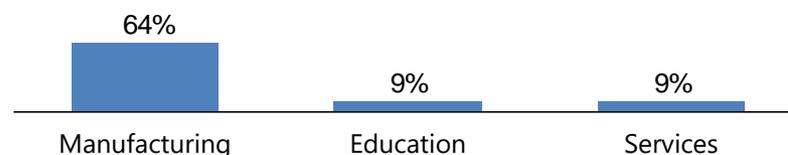
## Female Labor Force Participation by age (2013)<sup>7</sup>



## Female Labor Force Participation by sector (2013)<sup>7</sup>



## Economic sectors by female persons engaged (2013)<sup>8</sup>



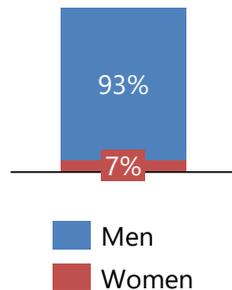
[1] World Bank Data: Bangladesh: Population (2015) [2] CIA Factbook: Bangladesh (2016) [3] ADB: Poverty Data: Bangladesh (2015) [4] Bangladesh Bureau of Statistics: 2016 Statistical Year Book Bangladesh, 2016 quoted in [The Financial Express](#) (2017) [5] World Bank/IPU: Proportion of Seats Held by Women in Parliament (2016) [6] World Bank/ILO: Labor force participation is a measure of "the proportion of a country's working age population actively in the formal labor market or looking for work (2016) ([7] ILO: Labor Force Survey (ILS): Bangladesh, (2013) [8] Bangladesh Bureau of Statistics: Socio Economic Census (2013). Total female persons engaged was 4,051,718 but is only 17% of total persons engaged (TPE). TPE includes wage and non-wage labor, full, part-time and casual workers in permanent and temporary establishments.

# Women's businesses are small and in the handicraft sector; only 13% of firms have any female ownership

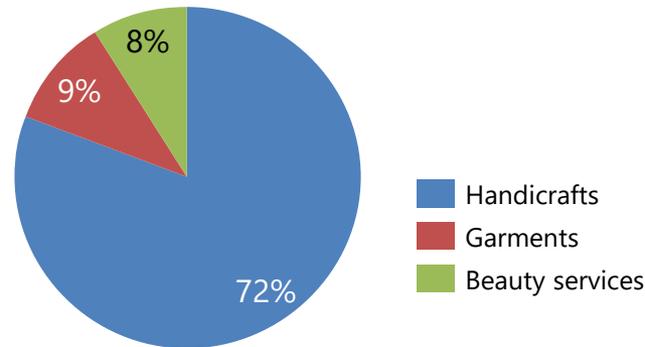


## CSME businesses ownership<sup>1</sup>

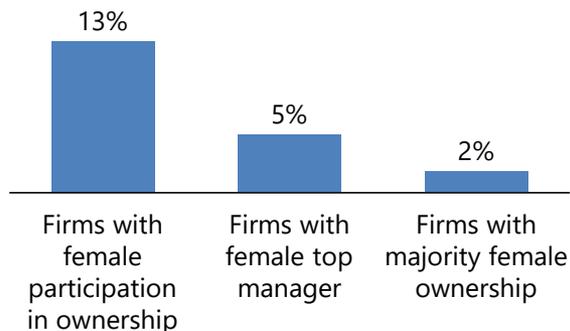
Of >7.8 million businesses, 99% are cottage, micro, small and medium (CMSME) enterprises; only 7% are owned by women and women make up only 17% of employees



## Nature of women's enterprises<sup>3</sup>



## Women's status in businesses (2013)<sup>2</sup>



The SME Support system for women entrepreneurs in Bangladesh is among the **least conducive globally** driven by poor performance on:<sup>4</sup>

- **Business leadership** (5.5% women) and **technical/professional workers** (<25% women)
- **Women's financial inclusion** (lowest ranked out of 54 surveyed countries),
- **Cultural perceptions** against women entrepreneurs

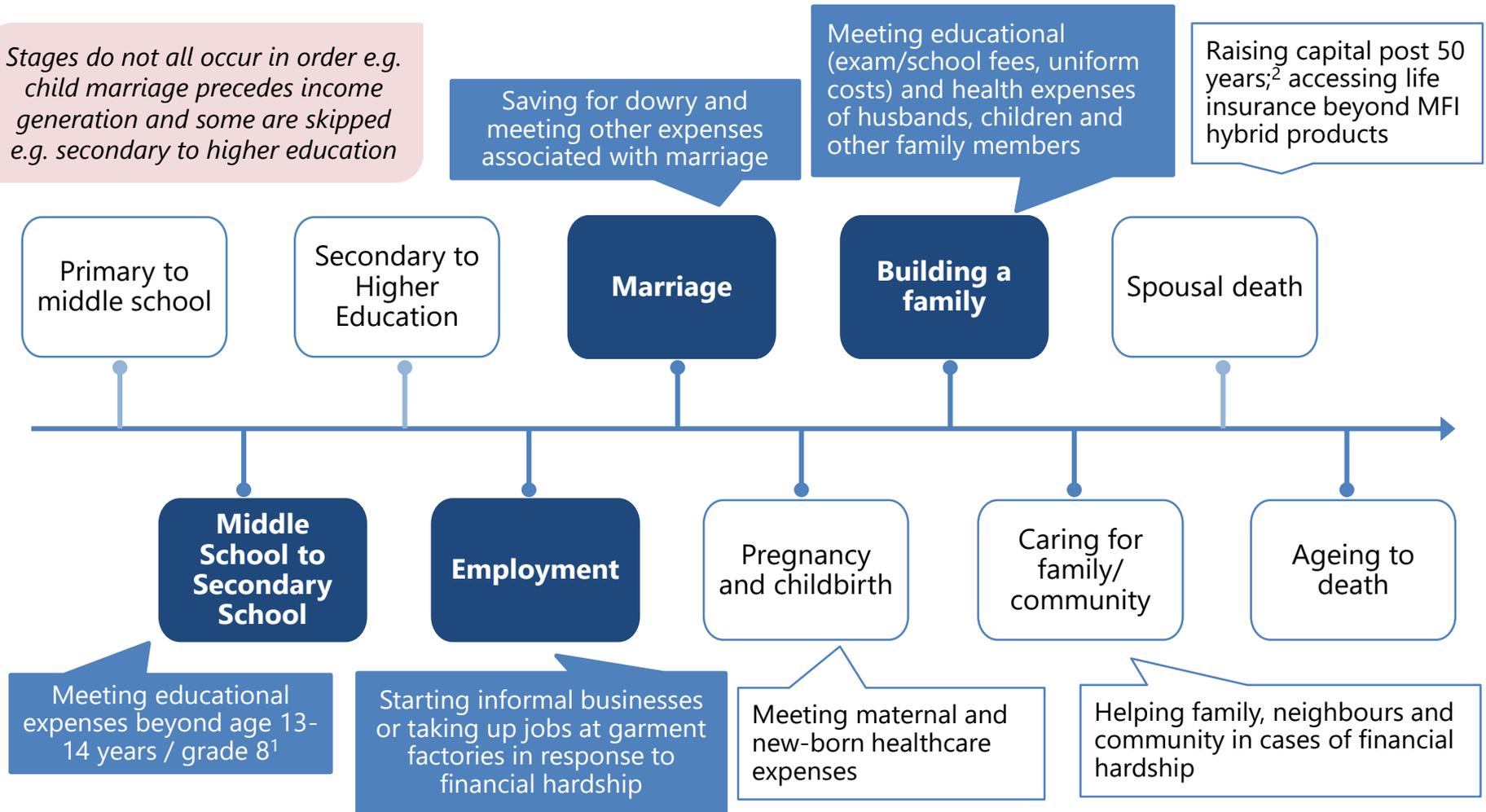
[1] Bangladesh Bureau of Statistics, Bangladesh Census, (2013) quoted in AFI: Expanding Women's Financial Inclusion in Bangladesh Through MSME Policies (2017). Women-owned refers to majority female ownership (51%); [2] World Bank: Enterprise Survey (2013) [3] Ul-Huq: Women Entrepreneurship Development in Bangladesh, Challenges and Prospects (2013) [4] Mastercard: Mastercard Index of Women Entrepreneurs (2017)

# Women & girls face critical financial challenges during school transitions, employment, marriage & building a family



## Typical lifecycle stages and financial challenges for women and girls

Stages do not all occur in order e.g. child marriage precedes income generation and some are skipped e.g. secondary to higher education



**Key:** ■ Key lifecycle stages ■ Financial challenges of key stages □ Other stages and financial challenges

Source: UNCDF Dalberg FGD discussions; [1] Up to grade 8 education is free; [2] Most MFIs don't lend to women above the age of 50 years

# Their financial needs are largely unmet; informal coping mechanisms fill formal product gaps

	Middle to secondary school	Employment	Marriage <sup>1</sup>	Building a family
<b>Usage of financial products/ coping mechanisms</b>	○ <ul style="list-style-type: none"> <li>Mothers/girls taking up informal jobs</li> <li>Girls savings from household chores</li> <li>Common for girls to drop out of school</li> <li>Small gov't stipends</li> </ul>	◐ <ul style="list-style-type: none"> <li>Employment itself is a fin. coping mechanism; HH need for &gt; male breadwinner income</li> <li>MFI loans to start businesses or borrowing from social networks</li> </ul>	○ <ul style="list-style-type: none"> <li>Child marriage itself is a coping mechanism for families unable to see economic futures for daughters</li> <li>Inf. savings/borrowing</li> <li>Sell assets</li> </ul>	◐ <ul style="list-style-type: none"> <li>Rely on microsavings and borrowing at MFIs<sup>2</sup></li> <li>Borrow informally from social networks (neighbours and friends)</li> <li>Borrow from moneylenders</li> </ul>
<b>Key Financial Needs</b>	<ul style="list-style-type: none"> <li>Education expenses beyond (free) grade 8 threshold: tuition fees, exam fees, books, uniforms, fees for remedial/private education</li> </ul>	<ul style="list-style-type: none"> <li>Liquidity needs to cover shortfalls between income and expenses (e.g. rent, borrowing repayments) in between wage payments</li> <li>Capital to scale businesses</li> </ul>	<ul style="list-style-type: none"> <li>Dowry payments</li> <li>Wedding expenses</li> <li>Household expenses of 'new' household (women may start having to contribute to expenses of in-laws, for example)</li> </ul>	<ul style="list-style-type: none"> <li>Daily household expenses (e.g. food)</li> <li>Education expenses of children</li> <li>Medical expenses of husbands, children and other family members</li> </ul>
<b>Unmet needs/ product gaps</b>	<ul style="list-style-type: none"> <li>Low interest education loans</li> <li>Commitment savings products to meet education expenses</li> <li>Coverage and depth of government stipends/allowances</li> </ul>	<ul style="list-style-type: none"> <li>Deposit/MM accounts to receive wages digitally w/ low min. balance requirements and flexible withdrawal options</li> <li>MSME loans beyond microfinance that are larger scale</li> </ul>	<ul style="list-style-type: none"> <li>Awareness raising with families on non-marriage economic opportunities for daughters</li> <li>Commitment savings products to meet marriage related expenses</li> </ul>	<ul style="list-style-type: none"> <li>Products to smooth consumption in times of financial shocks such as sudden illness, desertion by husbands/other family members</li> <li>Health insurance</li> <li>Low interest education loans</li> </ul>



Mainly formal products



Mix of formal products and informal coping mechanisms



Mainly informal coping mechanisms

[1] Note that child marriage can lead to this lifecycle stage preceding employment. [2] Deposit premium schemes are common at MFIs.

# Across economic segments, women and girls employ different coping strategies to meet their financial needs

2015 data found that secondary school enrolment for girls was 55% compared to 49% for boys<sup>1</sup>



**In-school girls**

However, girl's completion of education is hindered by prevalence of child marriage and biases in coping with financial hardships



**Out-of-school girls**

Labor force participation of women is 43% vs. 81% for men.<sup>5</sup> Of total female labor employed, 92% is in the informal sector.<sup>6</sup> The most visible sector of female employment is the ready-made garment sector (RMG), which employs approx. 4.4 million, 80% of which are women<sup>7</sup>



**Employees**

Access to capital for women. MSME entrepreneurs is a critical barrier for MSME development. Women typically seek start-up capital from family, and have little access to or awareness of MSME financing from banks<sup>3</sup>



**MSME entrepreneurs**



**Farmers**

Dropout rates are higher for girls, 46% percent of whom leave education at the secondary level, compared to 34% of boys<sup>2</sup>

Grade 8 students accounted for almost half of those who dropped out at the secondary level in 2015<sup>2</sup>. Beyond grade 8, educational costs are particularly burdensome

The minimum wage the RMG sector is only 25 taka per hour (30 cents per hour), which equates to approximately \$40 per month<sup>8</sup>

65% of women are not aware about Bangladesh Bank's refinancing provisions for women-owned SMEs. About 50% of women are unaware of trade licenses, VAT and tax statements in terms of business-related documentation<sup>4</sup>

Women's participation in agriculture labour force >50%<sup>9</sup>; Moreover, women spend 53% time of the day in farming earning 61% of the GDP from agriculture but less than 18% own land<sup>10</sup>

[1] World Bank: Gender Data Portal (2015 data) [2] Daily Star: [Dropout rate worrisome](#) (2016) [3] BWCCI: A Situation Analysis of Women Entrepreneurs in Bangladesh (2008) [4] Ibid. 2008 Sample size n=130. [5] World Bank: Gender Data Portal (2015 data) [6] World Bank: Bangladesh: Towards Accelerated, Inclusive and Sustainable Growth – Opportunities and Challenges (2012) [7] BTCA: Bangladesh Garment Factory Caselet (2017) [8] Microfinance Opportunities: Garment Factory Worker Diaries (2017) [9] FAO Statistics (2011) [10] The Daily Star: Women farmers yet to get institutional recognition (2015)

# These segments need to meet recurring expenses & cope with financial shocks with limited formal means



	In-School Girls	Out-of-School Girls	Garment factory employees	MSME entrepreneurs	Rural farmers
<b>Usage of financial products/ coping mechanisms</b>	 <ul style="list-style-type: none"> <li>Some use of school bank a/cs with low minimum balances<sup>1</sup></li> <li>Informal savings from household chores</li> </ul>	 <ul style="list-style-type: none"> <li>Mothers taking up informal jobs in times of crisis</li> <li>Borrowing from informal local networks and NGOs</li> </ul>	 <ul style="list-style-type: none"> <li>Typically go to neighbours or other workers for financial support for expenses</li> </ul>	 <ul style="list-style-type: none"> <li>Savings accounts through MFI loans</li> <li>Use of family, friends &amp; neighbours for emergency funds</li> </ul>	 <ul style="list-style-type: none"> <li>MM accounts used to receive G2P stipends</li> <li>Savings accounts through MFI loans</li> <li>Informal networks in case of crisis</li> </ul>
<b>Key Financial Needs</b>	<ul style="list-style-type: none"> <li>Exam costs esp. around grade 8</li> <li>Other educational costs (books, uniform etc.)</li> <li>Savings for marriage</li> <li>Family medical expenses</li> </ul>	<ul style="list-style-type: none"> <li>School fees of younger siblings</li> <li>Family medical expenses</li> <li>Savings for marriage</li> <li>Financial shocks such as death/flight of family members</li> </ul>	<ul style="list-style-type: none"> <li>High liquidity needs<sup>2</sup> to pay for rent, medicine, school fees, repayments to moneylenders → preference for cash payments for salaries</li> </ul>	<ul style="list-style-type: none"> <li>Liquidity needs for suppliers</li> <li>Larger loans to grow businesses</li> <li>Expenses for children's education</li> </ul>	<ul style="list-style-type: none"> <li>Crop input costs</li> <li>Cash wage payments to laborers</li> <li>Health expenses increasing with older age</li> <li>Dowry expenses</li> </ul>
<b>Unmet needs/ product gaps</b>	<ul style="list-style-type: none"> <li>Low interest education loans</li> <li>Commitment savings products to meet education expenses</li> <li>Coverage and depth of government stipends/allowances</li> </ul>	<ul style="list-style-type: none"> <li>Low interest education loans</li> <li>Commitment savings products to meet education expenses</li> <li>Coverage and depth of government stipends/allowances</li> </ul>	<ul style="list-style-type: none"> <li>MM/bank accounts to receive wages digitally w/ low minimum balance requirements and flexible withdrawal options</li> <li>Tailored health insurance</li> </ul>	<ul style="list-style-type: none"> <li>Loan products in tiers just above MFI levels with flexible KYC/documentation requirements</li> <li>IT/business skills development (non-FS) to help scale businesses</li> </ul>	<ul style="list-style-type: none"> <li>Access to agricultural information(input and crop prices)</li> <li>Flexible smallholder agricultural loans</li> <li>Tailored health and weather-based insurance</li> </ul>



Mainly formal products



Mix of formal products and informal coping mechanisms



Mainly informal coping mechanisms

[1] Bangladesh Bank: School Banking (2013). Per [central bank guidelines](#) issued in 2013, students between 6-18 are eligible to open bank accounts where parents/legal guardians are co-signees

[2] Liquidity needs imply cash payments

# Each economic segment can be characterized by persona highlights of their financial hardships<sup>1</sup>

## In-School Girls



"My family couldn't pay my grade 8 exam fee. I tried doing some tailoring but we still didn't have enough money."

Ruma dropped out of school **due to financial difficulties in paying school fees for 8<sup>th</sup> grade examinations**. Her family's volatile situation delayed her education by over 3 years. Finally, with the **help of a supportive uncle**, she got admitted into a **vocational training school** and aspires to work at an electronics repair job.

## Out-of-School Girls



"I want my younger siblings to be able to finish school, unlike me."

Swapna **dropped out of school** in at the age of ten when her father's rickshaw accident left the family without an income. Her father's **subsequent treatment consumed all savings** the family had. Following his death, Swapna's **mother took up a job as a domestic helper** to make ends meet. Swapna **stayed at home**, to help her mother take care her younger siblings.

## Garment factory employees



"I would like my daughter to not live the life I'm living. I will be very grateful to god if she can study."

Fatema works an average of **10 hours every day** at her garment factory making cotton sweaters. She earns an average of **6000 taka per month** (75 USD), more than half of which goes to her landlord for rent. She also has to make monthly 2000 taka (25 USD) loan repayments to her MFI, as well as a 500 taka deposit (6 USD) into a linked-savings account.

## MSME entrepreneurs



"When I started off, my family members called me 'marad'- a man, basically for going out of home to source supplies."

Nasrin who runs a small business selling fast food items in a shop space below her house. With the help of **multiple MFI loans**, she buys food supplies to prepare to sell to customers. Since her husband's death 7 years ago, she has focussed on growing her income to **support the education of her two sons** in a good private school.

## Rural farmers

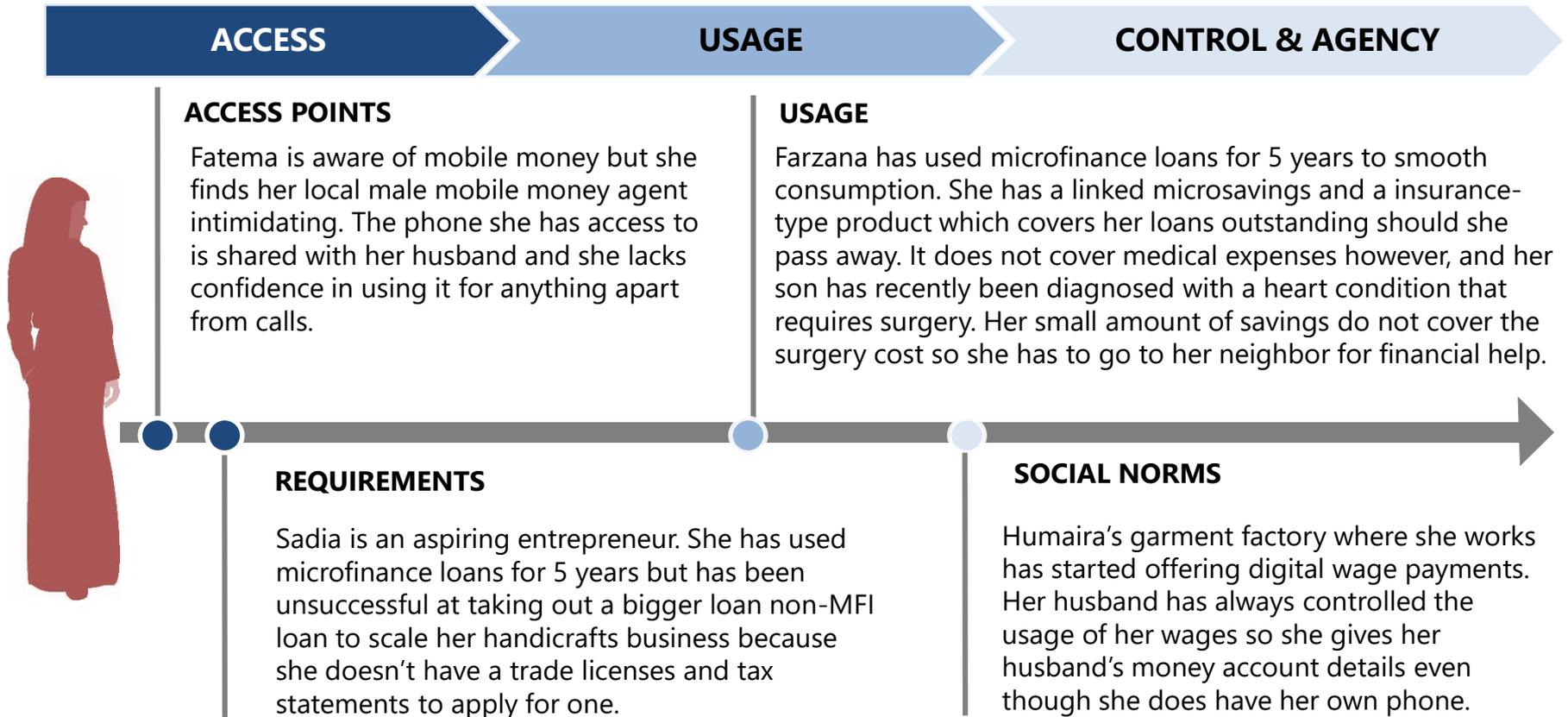


"I am worried about my own health. You know, farm work is hard work and I have a daughter to marry off still."

Kulsum produces paddy, jute and spices on 3 bighas of land. Her husband deserted the family 15 years ago, leaving her as the **de-facto breadwinner**. The land continues to be in her husband's name. She **married off her first daughter at 16**. She is **worried about the dowry expenses for her second daughter**.

[1] Insights driven by UNCDF Dalberg focus group discussions. For economic segment profiles in full, as well photo credits, please see Annex.

# These women and girls face barriers accessing, using and controlling their finances



This country assessment report will take access, usage, control and agency issues in turn

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## Access

**Access points and delivery mechanisms**  
Requirements for account opening and credit

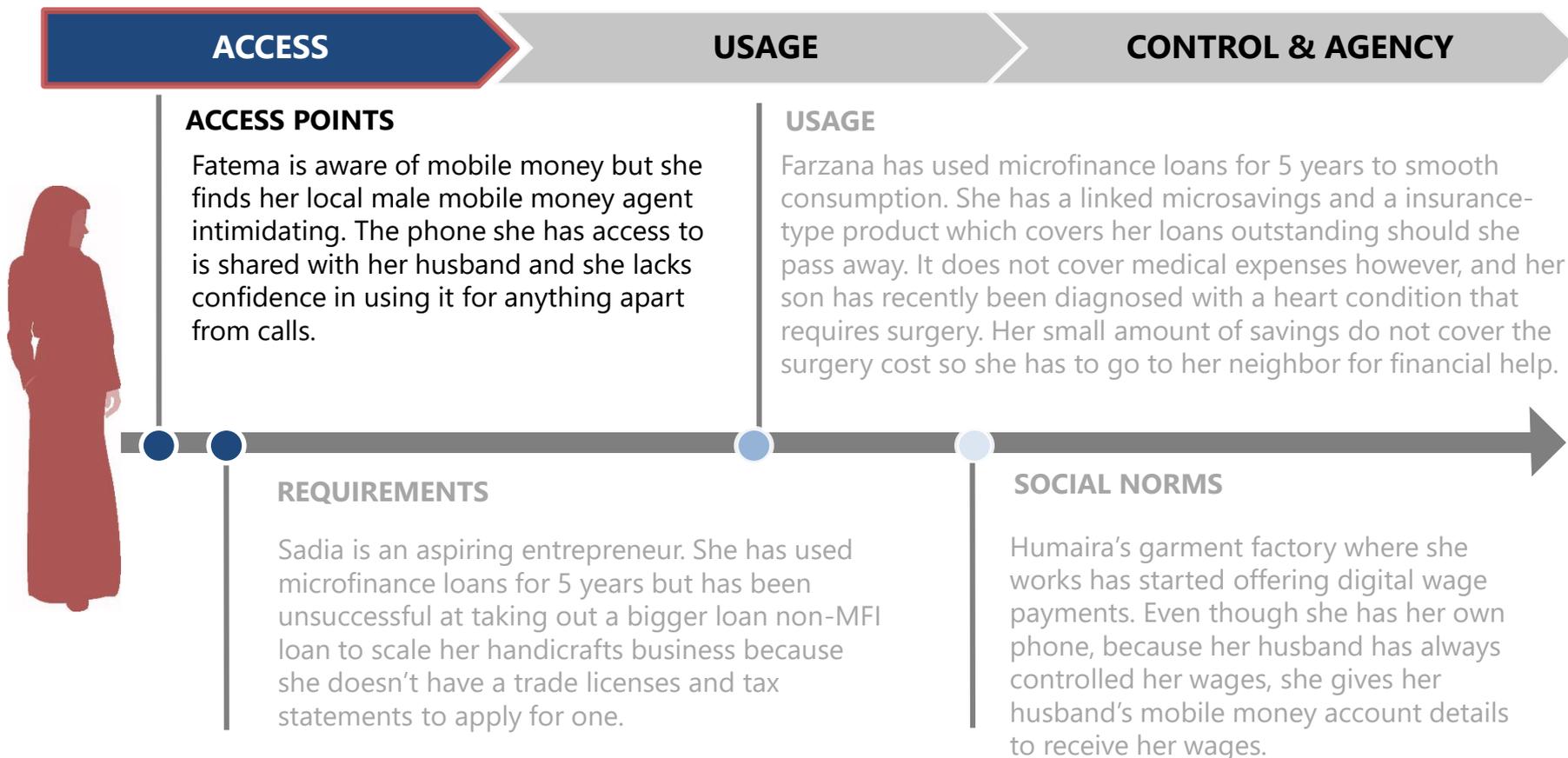
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# Women and girls face barriers in accessing financial products and services



# Access to retail agent and mobile financial services are particularly challenging for women

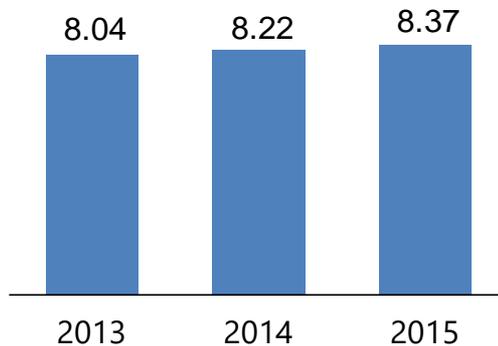
Access point considerations across financial service types	MICROFINANCE	RETAIL		
	Loans + savings + micro-insurance	Agent banking	Mobile money	Brick-and-mortar
ENABLING ENVIRONMENT	<ul style="list-style-type: none"> <li>Regulator authorizes MFIs to spend surplus 'profits' on <b>trainings for women</b></li> <li>Key priority of regulator to further build <b>capacity of MFIs to deliver these trainings</b></li> </ul>	<ul style="list-style-type: none"> <li>Agents must provide "as a minimum, <b>cash deposit and cash withdrawal services</b>" in a "<b>designated business premise</b>" i.e. agents must have a trade license</li> </ul>	<ul style="list-style-type: none"> <li><b>MFS platforms</b> may appoint "service delivery outlets" as needed to reach client segments</li> <li><b>Selection policies of these agents</b> must be formally submitted to the regulator</li> </ul>	<ul style="list-style-type: none"> <li>Banks are required to have <b>women-only counters</b> at branches, but its <b>enforcement has been weak</b></li> <li>Little data exists on <b>women's participation in the workforce</b> of financial sector players</li> </ul>
SUPPLY	<ul style="list-style-type: none"> <li>There are MFI branches even in <b>remote areas</b></li> <li>Loan officers meet women (&amp; other family members, <b>directly in their communities</b> &amp; are often drawn from them themselves</li> </ul>	<ul style="list-style-type: none"> <li><b>Agent networks</b> have grown significantly, but remain <b>99% male</b> with <b>difficulties in recruiting more female agents</b> due to requirements for a trade licence (and the informality of women's businesses in the limited instances where they do exist)</li> <li><b>Fragmented bundling of digital literacy with MFS offerings</b> also limit the accessibility of digitally delivered products to less digitally literate women</li> </ul>		<ul style="list-style-type: none"> <li>Despite requirement, few branches have women-only counters</li> <li><b>Attitudes of bank staff</b> can sometimes be discriminatory</li> <li>Bank branch growth has been minimal and is <b>urban</b> concentrated</li> </ul>
DEMAND	<ul style="list-style-type: none"> <li>Women highly aware of MFI market <b>and able to easily access MFI branches locally</b></li> <li>Some cases of <b>loan officer intimidation</b> when experiencing difficulties with repayments</li> </ul>	<ul style="list-style-type: none"> <li>Women feel <b>intimidated by male agents</b> and express <b>concern about sharing personal details</b>, such as mobile telephone numbers, with male agents</li> </ul>	<ul style="list-style-type: none"> <li>Women have <b>lower levels of independent phone ownership</b></li> <li>Women have <b>lower levels of digital literacy</b></li> </ul>	<ul style="list-style-type: none"> <li>Women's <b>lower levels of income and assets</b> often lead them to perceive that banks are not for people like them</li> <li><b>Low levels of awareness of products</b> outside of MFI offerings</li> </ul>
Key:*	Not a constraint	Relatively moderate constraint	Relatively severe constraint	

\*Heatmap based on qualitative assessment of insights from UNCDF Dalberg research and analysis.

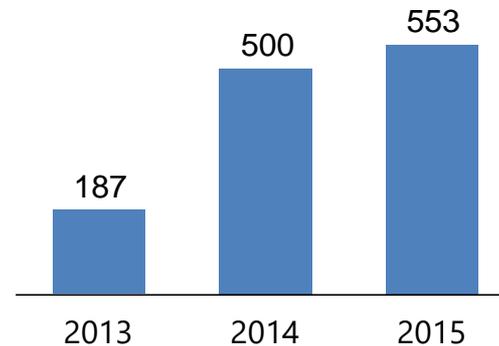
# Mobile money has helped to leapfrog challenges of brick and mortar access



Bank branches per 100,000 adults<sup>1</sup>



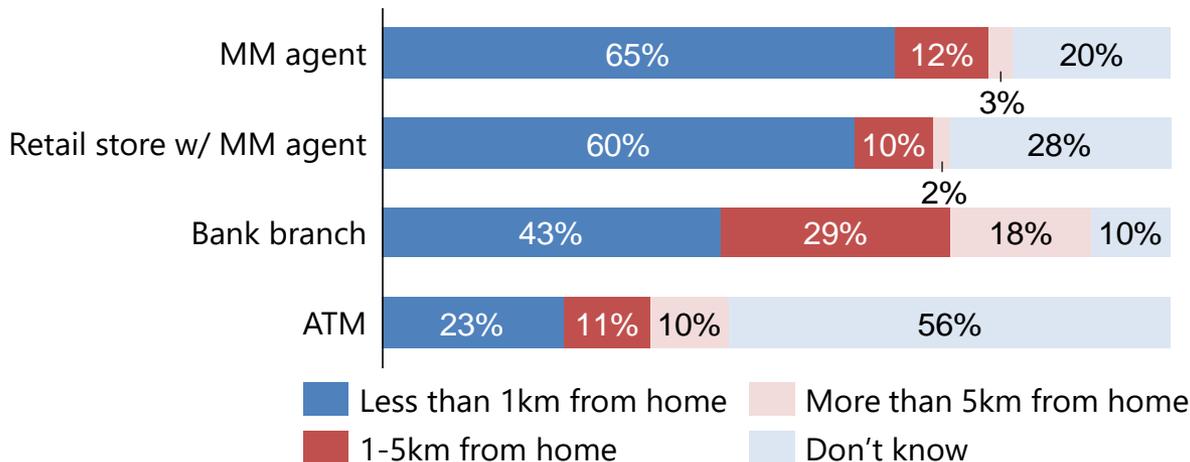
MM agents per 100,000 adults<sup>1</sup>



- **Bangladesh's mobile money agent growth has far outpaced the growth in bank branches between 2013 and 2015; 72% compound growth vs. 2%, respectively**

- **More adults are aware of a mobile money agent within 1km of where they live compared to bank branches or ATMs**

Awareness of proximity of points of service for financial institutions<sup>2</sup>

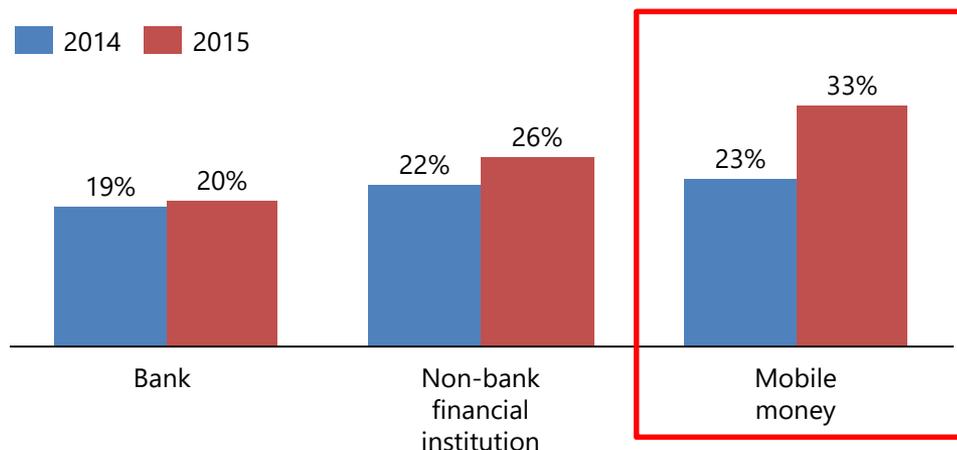


- **Moreover, big rural-urban disparities exist in terms of bank branch access; Dhaka and Chittagong (urban centers) account for over 50% of bank branches<sup>3</sup>**
- **The accessibility of mobile money agents presents significant opportunities for women and girls, who are more time poor and less mobile due to childcare responsibilities, security concerns as well as social norms on travel outside the home<sup>4</sup>**

[1] IMF: Financial Access Survey (2013-2015) [2] n=6000. Intermedia: Financial Inclusion Insights (2015) [3] Hasan et al: Financial Inclusion Index at District Levels in Bangladesh: A Distance-based Approach (2016) [4] 60% of female labour (compared with less than 10% of male labour worked as unpaid family workers. ADB: The Informal Sector and Informal Employment in Bangladesh (2010) [4] e.g. husband permission to leave the home

# Despite the opportunities of mobile money for financial inclusion, women and girls are not equally benefitting

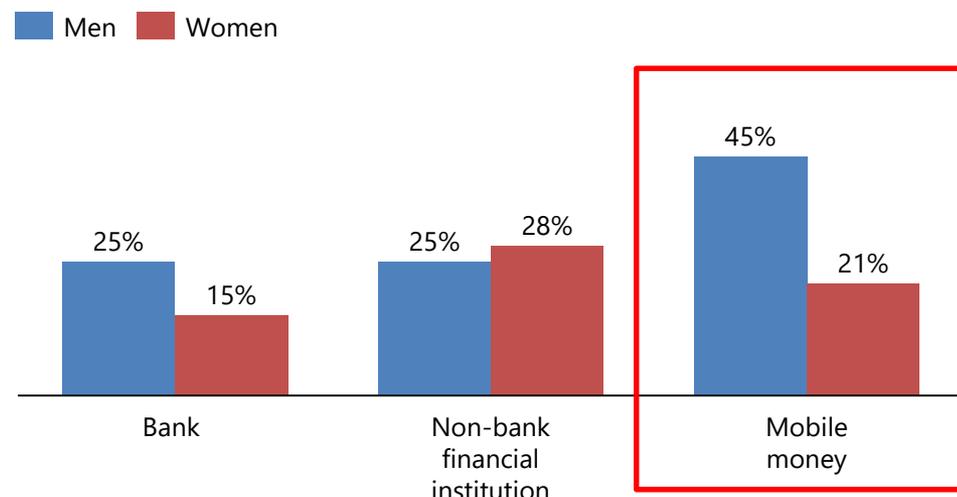
## Financial account access by channel (% of adults)<sup>1</sup>



- In 2015, MM overtook non-bank financial institutions (NBFIs) as the primary channel of financial access (33% vs. 26%), supported by the rapid growth in mobile money agents (triple between 2013 and 2015)

- Growth in access to MM accounts has been mostly realized by men; 45% of men have access compared to 21% of women as of 2015, through a combination of mostly OTC usage as well as registered account usage

## 2015 Financial account access by gender (% of adults)<sup>1</sup>



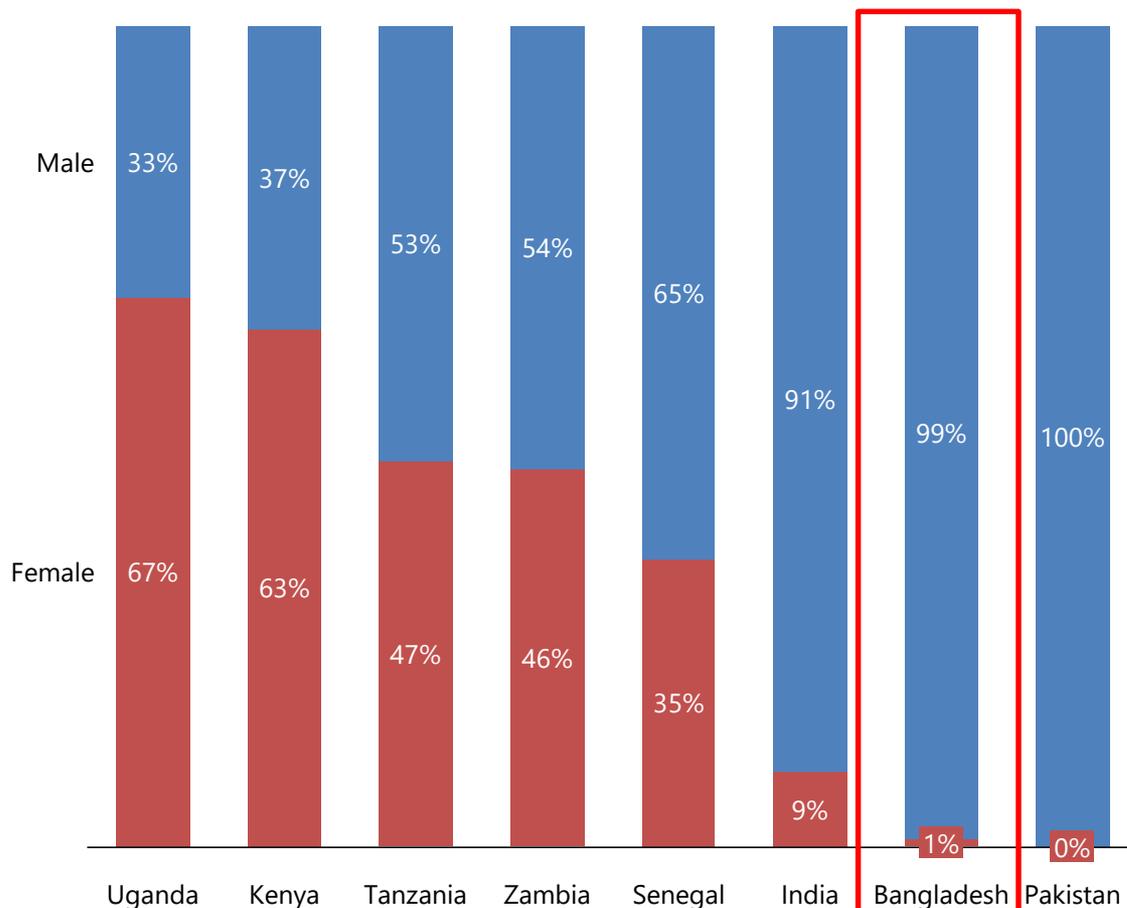
- In 2015, 13% of men had registered MM accounts, compared to only 4% of women<sup>2</sup>

- Women's access is lower across all channels except for NBFIs (where their access is slightly better) – the gender gap in mobile money access is 24%

# A key constraint for women and girl's digital and agent banking access is that agent networks are 99% male



## Cross-country comparison of agent networks by gender<sup>1</sup>



- **Bangladesh ranks very poorly in terms of gender representation within its agent networks.** This also ties in with the lack of gender diversity in the financial sector overall<sup>2</sup>
- **Male dominance in mobile money agency reflects the reality that there are very few women-run businesses with trade licenses that are appropriate to operate as (mobile money) agents.** This in turn reflects the high mobility constraints **driven by social norms** that prevent women from running businesses<sup>3</sup>

***"Women are simply not running businesses we need for our agent network"***

*- Agent and mobile banking provider*

[1] Microsave: Agent Network Accelerator Surveys (2015) [2] Self-reported country statistics may also underestimate the male domination. Sometimes men register trade licenses in the names of women to get tax benefits but the reality is that effectively men are still transacting. Source: Key informant interviews conducted by Dalberg (May 2017) [3] Women are more vulnerable to corruption in the process of applying for trade licenses, and they also have more restricted mobility to access trade license points, as well as lower skills, abilities and less time to navigate the system. World Bank: [Gender Dimensions of Investment Climate Reform](#) (2010)

# This has security implications for women and girls;<sup>1</sup> some providers are innovating to improve security of touchpoints

## Perspectives on women and girl's security concerns

"A key reason of the gender gap in digital is privacy concerns. **Women don't want to give personal details to agents**".

- Mobile money provider

"Women, especially in urban areas, are willing to use DFS, but **product design needs to consider additional security measures to protect them from harassment**"

- Mobile payments provider

"In **rural areas**, trust in male agents is less of an issue, due to **social accountability mechanisms**. Agents are drawn from local communities."

- Large NGO

## Innovation to address security concerns

### Dutch Bangla Bank

- Retail FSP

#### What are they doing?

- Improving gender balance of agents by tapping into networks of women-owned tea shops in rural areas

#### What can we learn?

- Gender-sensitive touchpoints for women and girl's financial inclusion exist but typically in informal settings/rural settings among MFI loan officers and clients
- These touchpoints could be creatively leveraged in the future expansion of agent networks



### SureCash

- Mobile payments provider

#### What are they doing?

- Allowing transactions with agents to be conducted with supply of one's mobile money *account* number only; women and girls do not have to give actual mobile numbers

#### What can we learn?

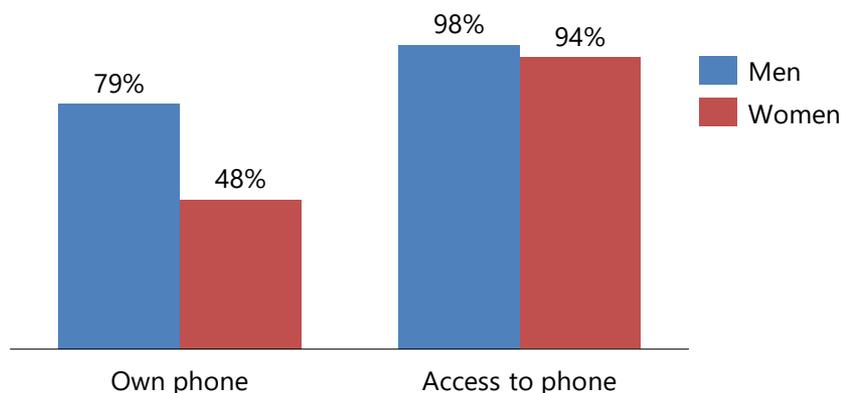
- Transaction processes can be modified to enhance the security for women and girls/reduce harassment concerns



[1] The security implications pertain to physical security to access agents given the social norms around women's mobility in Bangladesh, but principally refer to women's concerns about sharing personal information in their interactions with agents that could lead to harassment (calls). Sources: Key informant interviews conducted by Dalberg; Thakur et al.: Agency Banking: How Female Agents can Make a Difference (2016) Shramer: Digital Finance in Bangladesh: Where are all the women? (2016)

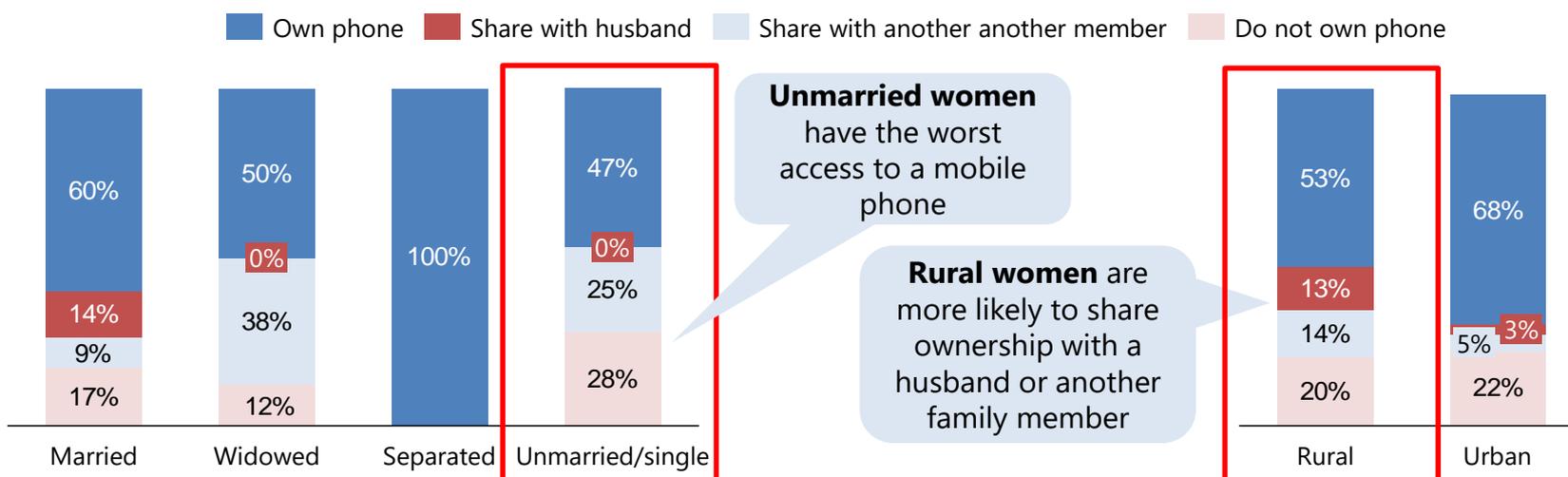
# Digital financial access is also limited by women's lower mobile phone ownership which varies by segment

Mobile phone ownership/access by gender (% of adults)<sup>1</sup>



- Whilst **access** to mobile phones is widespread the **significant 31% gender gap in ownership**, suggests that high levels of **shared phone ownership within households**
- **40%** surveyed women cite **cost of airtime as a barrier to ownership**; 29% cite **cost of phones**
- Given **intra-household power dynamics**, shared ownership has implications for **who in the household** can access a mobile money account
- Lack of access to/ownership of a mobile phone is **most commonly cited reason for not having a mobile money account**<sup>2</sup>

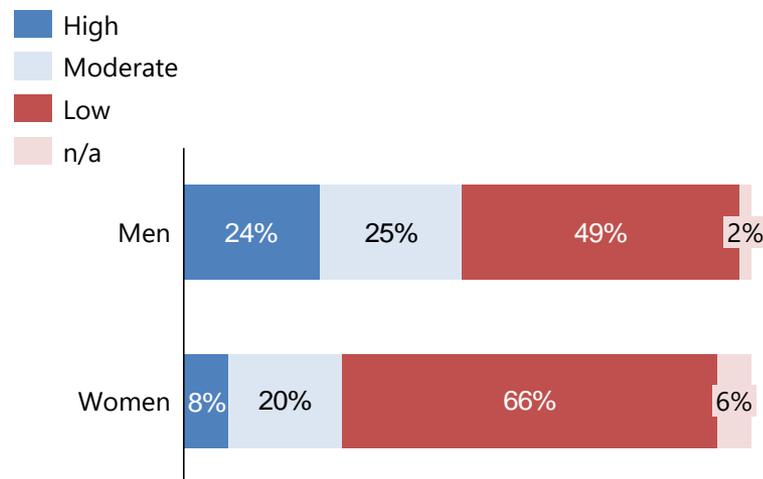
Mobile phone ownership (% of surveyed women segments)<sup>4</sup>



[1] Intermedia: Financial Inclusion Insights (2015) [2] 23% of women in n=332 women: UNCDF Dalberg Country Assessment Survey Data (2017)  
 [3] Ibid. n= 400. [4] Ibid. n=367 for marital cuts as under 16 year olds were excluded from unmarried/single category to account for lower mobile phone ownership due to age rather than marital status per se.. n=399 in rural/urban cuts.

# Poor digital literacy and lack of confidence are also barriers; some segments are showing promising signs

## Digital literacy levels by gender (n=6000)<sup>1</sup>



- According to UNCDF Dalberg survey data, **17% of women cite not having skills and the confidence** to use a mobile money account<sup>2</sup>
- **English language phones** have implications for illiterate women's abilities to use phones even for basic functions such as sending SMS messages<sup>3</sup>
- **USSD-based menus** require the completion of selections **within 90 seconds**; this is difficult for **women who are less digitally literate**<sup>4</sup>
- **Few women use mobiles for educational learning** (8%),<sup>2</sup> but 23% use them to watch videos, which could suggest the **potential to build competencies through videos**

## Promising signs of digital literacy improvement

### BRAC

- National and international NGO



### What are they doing?<sup>4</sup>

- Piloting digital payments pilots for youth savings and school fees using bKash (a BRAC Bank subsidiary)
- Trialing taking time out of school days to teach adolescents how to set up mobile money accounts

### What can we learn?

- Amongst literacy interventions, uptake is best among youth
- Some youths are able to teach their mothers; targeting the youth segment could be an interesting entry point to expand digital literacy and thus uptake of DFS

[1] Intermedia: Financial Inclusion Insights (2015) [2] UNCDF Dalberg Country Assessment Survey Data (2017) [3] Shrader: Digital Finance in Bangladesh: Where are all the women? (2016) [4] Insight from Dalberg key informant interviews (May 2017), USSD is a Global System for Mobile (GSM) communication technology used to send texts and use programs on GSM cell phones.

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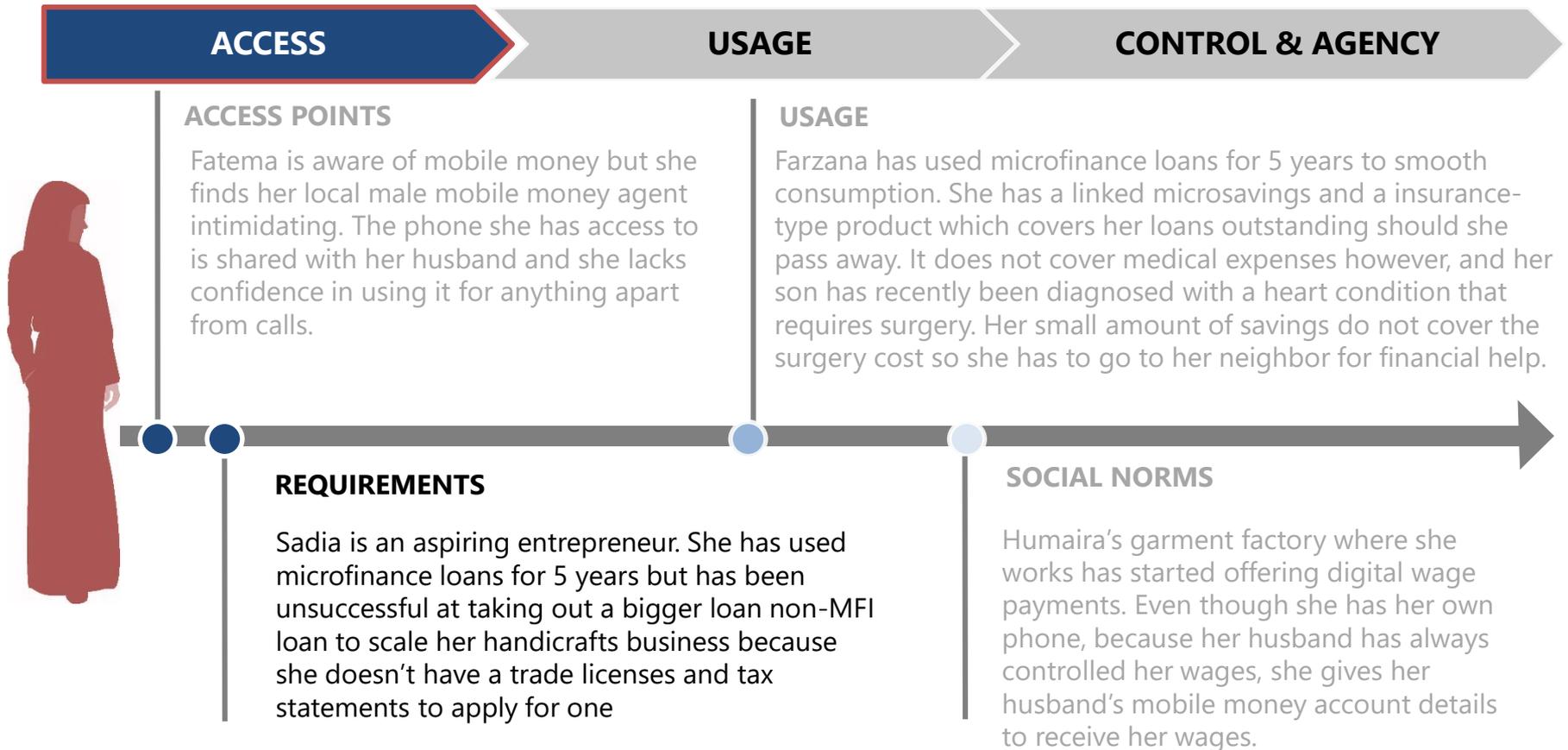
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# Women and girls also face barriers in access due to account opening requirements



# Requirements for uncollateralized retail bank loans are challenging for high growth women entrepreneurs

Requirement considerations across financial service types	MICROFINANCE	RETAIL		MOBILE MONEY
	Loans + credit-linked savings	Accounts/Savings	Loans	Mobile money
ENABLING ENVIRONMENT	<ul style="list-style-type: none"> <li>Minimal requirements for account opening (no collateral only ID or group/individual guarantee)</li> </ul>	<ul style="list-style-type: none"> <li>Some especially low minimum balance requirements for excluded groups: (e.g. 10 taka for farmers)<sup>1</sup></li> <li>Minimum age for accounts is 18 except school accounts<sup>2</sup></li> </ul>	<ul style="list-style-type: none"> <li>Long, complex requirements</li> <li>Lacks standardization – use of ‘etc.’ in circulars</li> <li>Limited enforcement capacity of uncollateralized loans below 2.5 million taka</li> </ul>	<ul style="list-style-type: none"> <li>Bank-led model but no requirements to have a bank account prior to MM</li> <li>Phone number/SIM card and ID are key requirements<sup>3</sup></li> </ul>
SUPPLY	<ul style="list-style-type: none"> <li>Accept alternative IDs (birth certificate, letter from local authorities)</li> <li>Enable flexible guarantee (group lending, individual, etc)</li> <li>Products designed to meet women’s needs</li> </ul>	<ul style="list-style-type: none"> <li>More requirements than MFIs e.g. require national ID, proof of income</li> <li>Banks have discretionary power on acc. opening costs and minimum balance</li> </ul>	<ul style="list-style-type: none"> <li>KYC norms applied discretionally up to 28 items required in some cases</li> <li>Additional docs levied on women e.g. proof of husband’s income</li> </ul>	<ul style="list-style-type: none"> <li>Few MM operators, 82% MM consumers use only bKash; lack of competition and bKash inflexible on national ID requirements</li> </ul>
DEMAND	<ul style="list-style-type: none"> <li>Women aware of MFI market, can access MFI branches locally, and often access loans from 2-3 institutions, but loan sizes often very small that may not meet credit needs</li> </ul>	<ul style="list-style-type: none"> <li>A/c opening depends on proof of income, at discretion of employer</li> <li>Women are reluctant to pay a/c opening costs and unable to maintain minimum balances</li> </ul>	<ul style="list-style-type: none"> <li>Women lack documents such as trade license, business plans given informal businesses and guarantors given limited networks</li> </ul>	<ul style="list-style-type: none"> <li>86% of over 18 year old women have a national ID card; this rises to 88% for married women but falls to 77% for rural women<sup>3</sup></li> </ul>
Key*:	Not a constraint	Relatively moderate constraint	Relatively acute constraint	

# Burdensome documentation requirements for retail loans stem from lack of standardization and enforcement



## Enabling Environment

### Favorable regulations<sup>1</sup> exist:

- BoB allows uncollateralized loans of up to 2.5M Tk (30,000 USD)
- BoB has earmarked 15% SME funding for women but enforcement measures are lax

### KYC requirements are long, complex and vague:

- **Long list of complex requirements** including detailed business plans, cash flow statements, bank statements, details of assets and salary for guarantors- *8% women cite lack of documentation for account opening compared to 5% men<sup>3</sup>*
- **Requirements are open-ended** leaving them open to FSP interpretation. For example, the use of 'etc.' in circulars means the list of requirements is not capped

## Supply

### Regulations are not enforced:

- Currently only 3-4% of SME funding goes to women<sup>2</sup>  
*"We want to give [women] loans but they are mostly un-bankable, they are never ready with their papers and documents"*  
- Banker, Commercial bank, Bangladesh

### Banks have discretionary room for interpretation:

- Banks are **not standardized in interpreting requirements**, some banks have 7-8 requirements while some having as many as 28<sup>4</sup>
- KYC norms can be discretionally applied by banks to **disfavour women**. For example, one bank specifically asks for a woman's husband's details including ID and income proof

*"I once went to a bank for a loan, they kept making me come back again and again with different papers. Nothing was enough! It's hard to know with banks. Tell me, if I had 3 lakh taka in my bank, why will I go to them for a loan?"*  
- Bangladeshi small business entrepreneur

# Moreover account opening requirements are difficult for women and girls to meet given their lack of funds



## Supply

### Account service (opening/maintenance) charges :

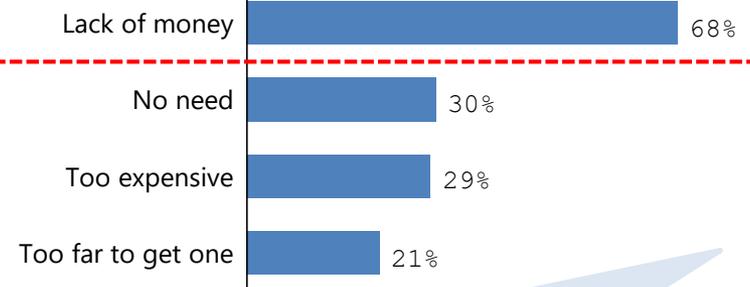
- Banks have discretionary room to charge varying fees to open accounts, to maintain accounts and withdraw from ATMs

### Account minimum balance requirements:

- Banks also have discretionary room to insist on varying minimum balance amounts
- These can be as low as 20 taka<sup>1</sup> but can be significantly greater as well

## Demand

### Reasons for not having an account (n=521 women)<sup>2</sup>



*"I've heard about some factories paying their workers into accounts. But I would rather continue being paid in cash. Bank service charges are 500 taka and I would have to leave at least 500 taka in my account. I can't afford to lose this money!"*

- Bangladeshi garment factory worker

**Women's high liquidity needs and lower income/cash inflows mean they struggle to meet these requirements and charges**

# Lessons can be learned from microfinance regarding making access points & requirements work for women and girls<sup>1</sup>



## Access points

- ✓ Microfinance branches are mostly in rural areas allowing access even in remote regions; ASA's branches are approx. 65% rural
- ✓ MFIs typically use a loan officer model; loan officers meet women, their husbands and neighbors, directly in their communities to engage in dialogue and understand needs and what products will be used for
- ✓ At point of disbursement, financial literacy trainings are given so that benefits of products can be explained to women, even those who are illiterate

## Requirements

- ✓ Application forms are simple (can often be just one page)
- ✓ No collateral is required; MFIs have the autonomy to practice either group or individual liability lending models with flexibility around who can serve 'guarantor' role, given loan officers familiarity with local communities
- ✓ Alternative IDs to national IDs are accepted
- ✓ Mandatory savings (i.e. minimum balances) are tied to the size of microcredit loans

## Implications

- Women loan officer networks could be a source from which to support gender-sensitive mobile agent recruitment
- Digitization of MFI disbursements and repayments could be a feasible entry point to expand women's digital inclusion given MFI experience of bundling literacy trainings with products<sup>2</sup>
- Account opening requirements (documentation, KYC, minimum balances) need to be tiered to consider women's different capability levels to meet more rigid requirements in order to improve women's (especially entrepreneurs') access to more tailored credit products beyond microfinance

[1] Insights drawn principally from Dalberg KII with ASA Microfinance, which as of March 2017, had 7.8 million members, 98% of whom were women.

[2] ASA is currently in the process of a few digital pilots and loan officers have started using a tablet app on which to keep member records.

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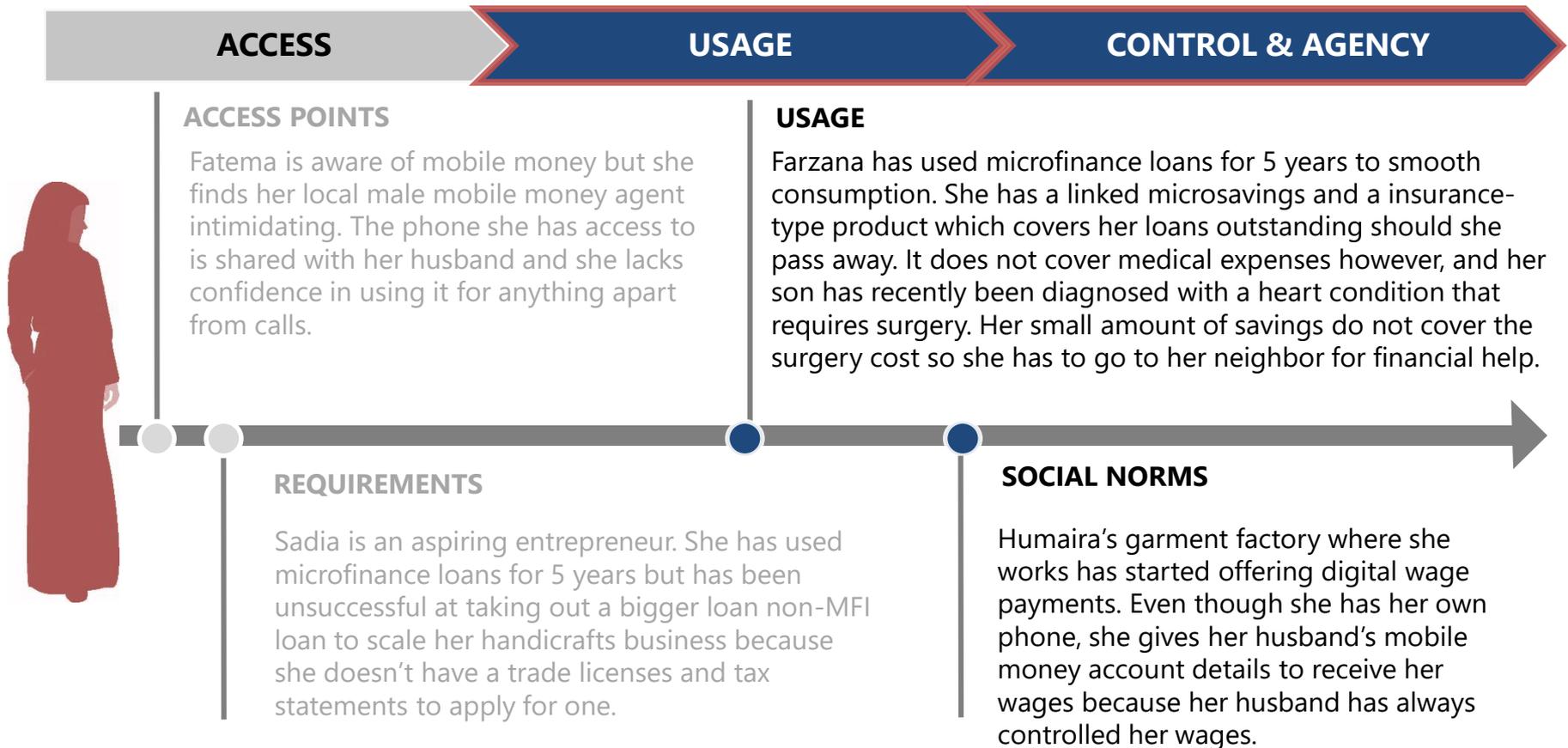
**Usage, Control and Agency**

Stakeholder analysis

Recommendations

Annex

# Women and girls face barriers in using and controlling usage of financial products and services



# A mismatch\* between women's and girls' needs & products drive use of friends/neighbours for financial support



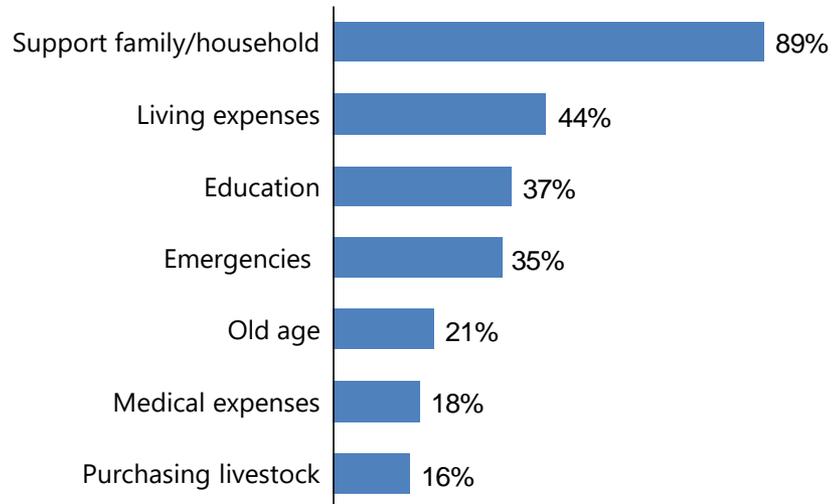
Summary of financial product usage/coping mechanisms per expense types and gaps in current product offerings

Needs	Usage headlines <sup>1</sup>	Segment nuance on key needs	Mismatches/gaps <sup>2</sup>
<b>Everyday expenses</b>	50% of surveyed women save at MFIs and 69% borrow from friends and family to support family needs and manage daily household expenses	<ul style="list-style-type: none"> <li>• Farmers - farming inputs</li> <li>• (Urban) garment sector employees - rent costs</li> <li>• MSME entrepreneurs – working capital for businesses</li> <li>• In-school girls – educational expenses</li> </ul>	<ul style="list-style-type: none"> <li>• MFI limits of \$ amount and # of product limit coverage of products</li> <li>• MM use is limited principally to P2P as opposed to other functions e.g. merchant payments</li> </ul>
<b>Emergency expenses</b>	Only 7% of Bangladeshi women use insurance. <sup>3</sup> 90% of surveyed women go to family and friends for emergency funds	<ul style="list-style-type: none"> <li>• Farmers – financial shocks from harvest failure caused by weather events</li> <li>• Household managers/out-of-school girls- emergency medical expenses for infirm relatives</li> </ul>	<ul style="list-style-type: none"> <li>• Weak efforts to build trust and understanding of fragmented insurance offerings</li> <li>• Gaps in medical insurance given historical focus on life</li> </ul>
<b>Long term financial goals</b>	58% of surveyed women cited protecting money for a specific use as a reason for opening a bank account. 37% of women are saving for education expenses. 16% save to purchase livestock.	<ul style="list-style-type: none"> <li>• Household managers – education for children</li> <li>• Farmers – old age savings</li> <li>• Adolescent girls – dowry for marriage</li> <li>• MSME entrepreneurs – capital for business investment</li> </ul>	<ul style="list-style-type: none"> <li>• Inadequate support (information/ awareness raising) to help women graduate from MFIs to retail banks for savings/ credit</li> <li>• Weak oversight over who controls usage of MFI products in women's names</li> </ul>

[1] UNCDF Dalberg Country Assessment Survey (May 2017), unless otherwise stated. [2] Non-exhaustive. See later slides for further nuance [3] Intermedia: Financial Inclusion Insights (2015). \*This mostly applies to retail and MM offerings, although product offerings can still improve in MFIs. Remittances are not addressed in the following slides as this payment channel/financial need did not come up strongly in our KIIs and FGDs.

# Women principally save and borrow to manage daily household expenses, implying high liquidity needs

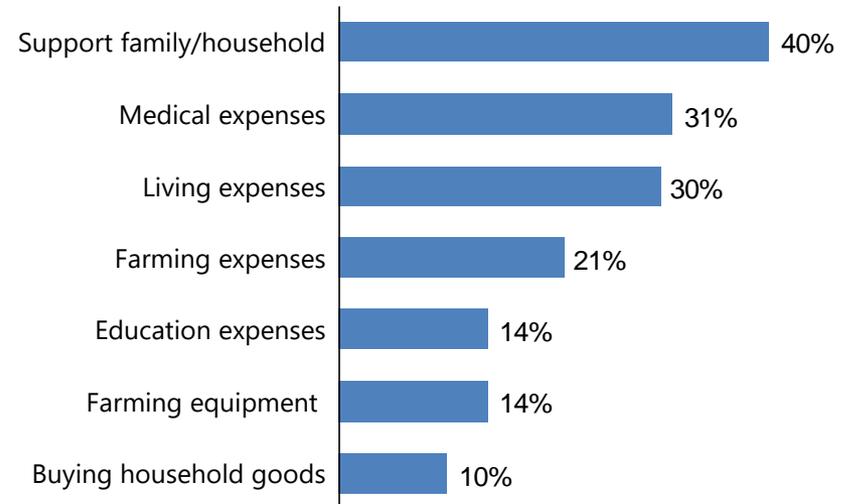
## Purpose of savings (n=154 savers)<sup>1</sup>



- **The major use of savings is for daily household and living expenses**
- This implies **high liquidity needs and proximity to access points** where withdrawals can be made
- **Women and girls also save for specific goals** – education (37%) and purchase of livestock (17%)
- This implies **opportunities for FSPs to scale up commitment-based savings products<sup>2</sup>**

[1] UNCDF Dalberg Country Assessment Survey (May 2017) Segment analysis revealed insignificant differences in the main reasons for saving and borrowing [2] Savings products that are designed to encourage regular deposits/restrict withdrawal of funds to meet a specified savings target.

## Purpose of borrowed funds (n=140 borrowers)<sup>1</sup>

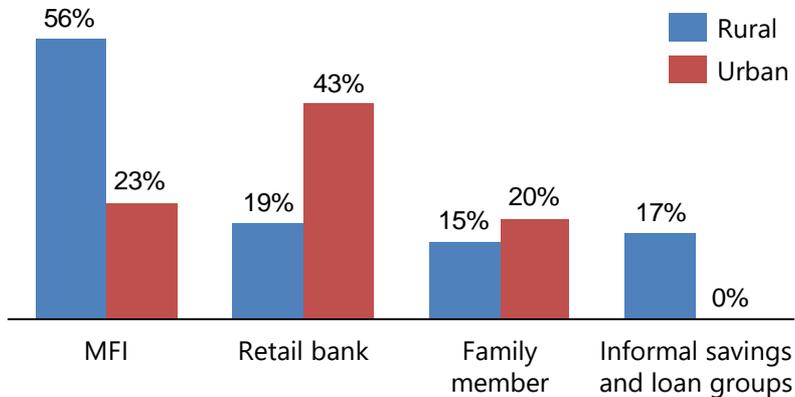


- **Most women also appear to use borrowed funds for daily household and living expenses**
- Less women and girls are using borrowed funds for 'traditional' livelihood building purposes
- This likely reveals **women's limited financial planning capabilities insofar as they are forced to meet household expense shortfalls through borrowing**
- Use of borrowed funds for medical expenses also suggests **opportunities to deepen health insurance coverage / savings for health**

# These preferences are reflected in 50% of surveyed rural women saving at MFIs, and 69% borrowing from friends

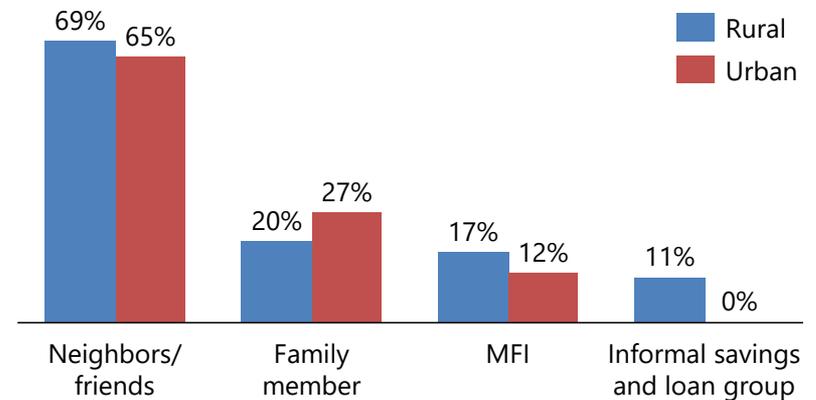


Method of savings (n=154 savers)<sup>1</sup>



- The combination of high liquidity needs and distances to bank branches is reflected **in rural women's comparatively higher savings with MFIs** who have more branches in rural areas than retail banks and **lower savings with retail banks**
- **Savings with family members** may also be tied to **savings commonly being used for household expenses**

Source of borrowed funds (n=140 borrowers)<sup>1</sup>

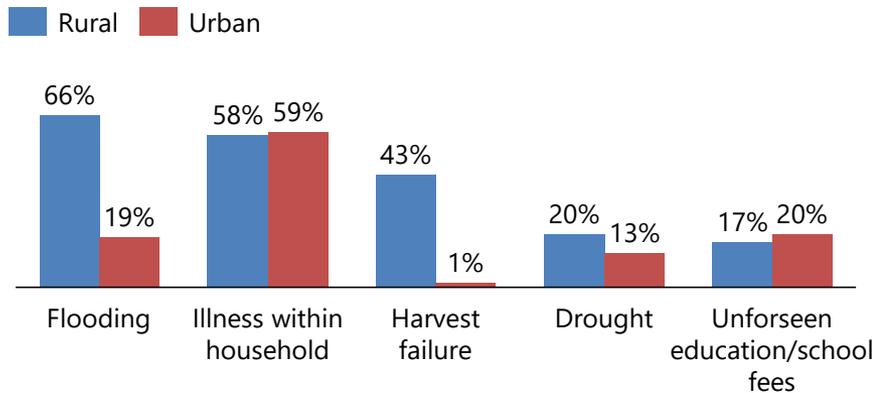


- Borrowing for household needs is also reflected in the **common usage of neighbors, friends and family (over financial institutions) as sources of borrowing**
- The **more limited use of borrowed funds for traditional 'livelihood building' purposes** is probably tied to the **limited use of formal financial institutions**, beyond MFIs - only 3% of surveyed women are using retail banks
- **Loan ceiling amounts of MFIs also probably limit the use of borrowed funds for 'livelihood building'**<sup>2</sup>

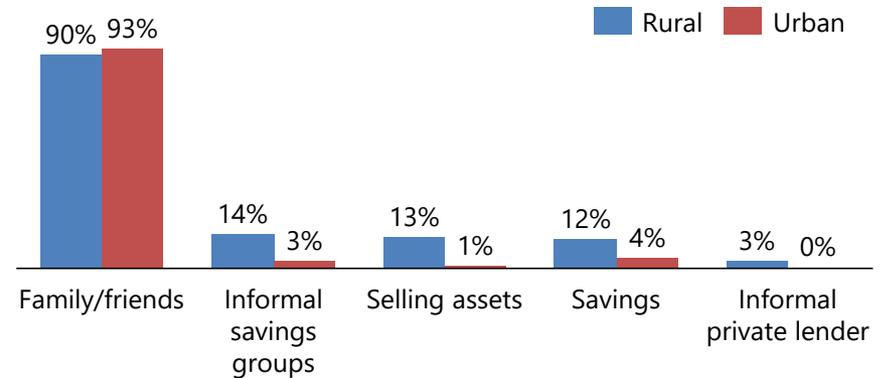
[1] UNCDF Dalberg Country Assessment Survey (May 2017), Numbers differ from headline numbers due to segment breakdown. [2] Microfinance institutions typically do not offer loans larger than 100,000 taka

# Emergency needs are covered by friends and family; insurance penetration is low due to poor awareness

Events experienced in the last 12 months (n=400 women)<sup>1</sup>

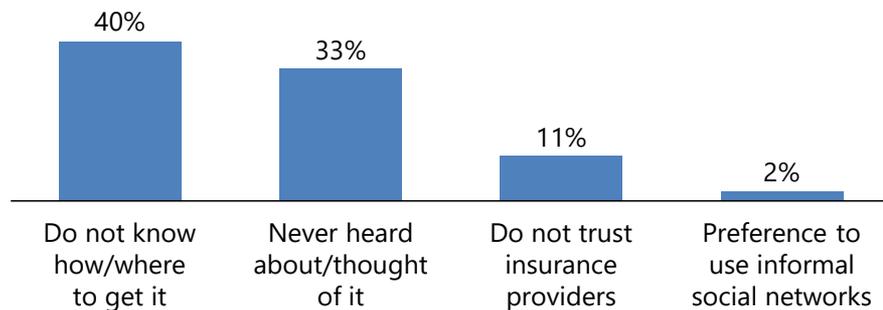


Sources of emergency funds (n=400 women)<sup>1</sup>



All women and girls face considerable intra-household medical shocks, but additionally, rural women and girls face significant livelihood (i.e. agriculture) based shocks. The financial needs created by these emergencies are overwhelmingly met by friends and family as opposed to financial products.

Reasons for not having insurance (n=400 women)<sup>1</sup>



*"I don't know about health insurance products. I would like to use insurance if I could. I am currently struggling to make what I borrow cover my rent and my husband's medical expenses."*

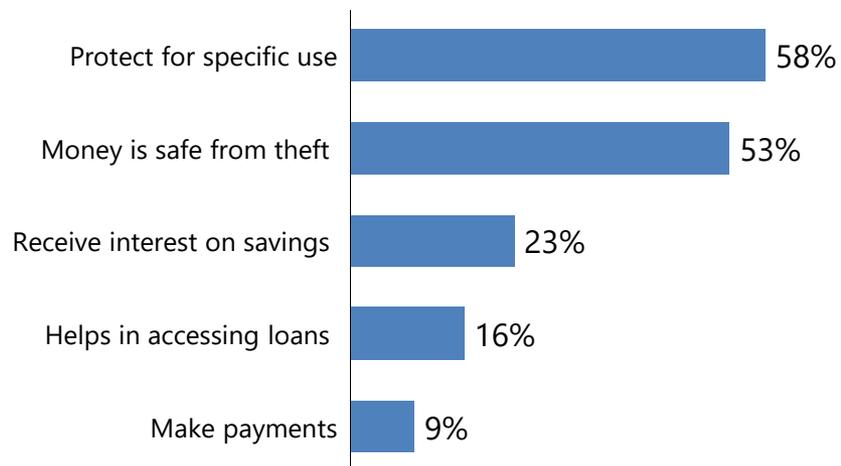
- Garment factory worker

Only 7% of women in Bangladesh use insurance.<sup>2</sup> This is largely due to lack of awareness of the concept as well as product offerings.

# Between everyday and emergency expenses, women & girls do plan for specific financial needs e.g. education



## Key reasons for having a bank account (n=91 women)<sup>1</sup>



## Focus group discussion insights<sup>2</sup>

*"My daughter does not go to a good (government) school. My dream is for her to go to a private school one day."*

- MSME entrepreneur

*"I would like my daughter to not live the life I'm living. I will be very grateful to god if she can study."*

- Garment sector worker

- Women's and girls' **experiences of financial hardships and early marriage/dropping** out of school, have led many to have much **higher aspirations for their children/daughters**
- The primary reason women and girls have a bank account is to **protect money for a specific use**
- Meanwhile, **education** and **old age expenses** are the 3<sup>rd</sup> and 5<sup>th</sup> **commonly cited purposes of savings** (see slide 42) but **women and girls are only using formal financial institutions to a limited extent**, despite commitment products for such women and girls being a captive client base for FSPs
- **13% of rural women surveyed are using MFIs to save for education expenses** but **19%** and **17%** are saving with **family members** and **villages savings associations**, respectively, for education; **only 3% are using retail banks to save for education**<sup>3</sup>

[1] UNCDF Dalberg Country Assessment Survey (May 2017) [2] UNCDF Dalberg focus group discussions (May 2017); 10 female participants per economic segment; [3] n=124 rural women

# On the supply-side, however, products are ill adapted to the preferences and needs of women and girls (1/2)



	Microcredit	Accounts/savings	Credit
Product features <sup>1</sup>	<ul style="list-style-type: none"> <li>• Microcredit typically disbursed through group liability model</li> <li>• Repayment schedules often have some flexibility</li> <li>• Loan officers collect repayments</li> <li>• Loans available for different purposes – e.g. income generation, education, sanitation<sup>2</sup></li> </ul>	<ul style="list-style-type: none"> <li>• Micro-savings are common mandatory products with tied to microcredit e.g. deposit premium schemes (DPS) at MFIs</li> <li>• Average deposits per month are a function of loan size</li> </ul>	<ul style="list-style-type: none"> <li>• Collateral free loans up to 2.5 million taka (30,000 USD equiv.) are the principal products for entrepreneurial finance</li> <li>• Other loans available for other purposes (e.g. agri-finance)</li> </ul>
Usage constraints	<ul style="list-style-type: none"> <li>• Limits on number of loan women may have per MFI limits the extent to which MFI can cover needs; women may have to face dilemmas between borrowing for education or medical expenses<sup>3</sup></li> <li>• Limits on loan amounts – microcredit typically does not exceed 100,000 taka – limit the extent to which borrowing can be used for livelihood investments</li> <li>• Weak oversight on who in a household is using microloans</li> </ul>	<ul style="list-style-type: none"> <li>• Account maintenance costs disincentivize digital wage payments (vs. cash)</li> <li>• Withdrawal restrictions are not matched to liquidity needs<sup>4</sup></li> <li>• Limited commitment savings offerings/support to graduate from microsavings to allow women to build asset bases (vs. just coping with shocks/covering expenses)</li> </ul>	<ul style="list-style-type: none"> <li>• Little support is given to help graduate from microcredit to MSME loans despite step up in requirements in lieu of collateral<sup>6</sup></li> <li>• Rigid repayment schedules/ loan tenors are not tailored to the payment capabilities of women e.g. women during harvest<sup>4</sup></li> <li>• Lengthy loan disbursement times are common in rural areas given lower brick and mortar density<sup>5</sup></li> <li>• Age limits mean women can often no longer borrow past 50<sup>4</sup></li> </ul>
Implications for future product design	<ul style="list-style-type: none"> <li>• Facilitating partnerships and offering innovation funding could help women 'graduate' from MFIs to retail banks through the development of hybrid/joint products, as well as bundling these tailored products with financial capability building for women e.g. building MSME owners' capacities to meet loan requirements</li> </ul>		

[1] Summary features of common products, not intended to be comprehensive of all offerings; [2] Principal types of microloans offered by ASA MFI;

[3] ASA has a limit of 3 loans per person. Dilemma insight from UNCDF Dalberg FGD; [4] UNCDF Dalberg FGD insight; [5] Dalberg KII insights

# On the supply-side, however, products are ill adapted to the preferences and needs of women (2/2)



## Insurance

## Payments / mobile money

### Product features<sup>1</sup>

- Insurance is most commonly offered as a hybrid life insurance product linked with microfinance
- At time of loan disbursements, a small charge (5 taka) is taken out per 1000 taka loan amount, for example<sup>2</sup>
- In event of death, loan amount outstanding is exempted
- Some money may be given for funeral expenses

- P2P and cashing in/cashing out are the most common functions of mobile money
- Increasingly other services are being offered by MFS providers e.g. airtime top up, salary disbursement, merchant payments, receipt of gov't allowances, foreign remittances, loan repayments, interest on savings<sup>6</sup>

### Usage constraints

- Weak efforts to foster awareness and institutional trust, and thus an insurance culture<sup>3</sup>
- Lengthy times to process claims which leads to cash shortfalls to cover immediate costs, such as funeral expenses
- Principal focus to-date has been on life-insurance and some weather insurance; this has led to product gaps in medical insurance and insurance for informal sector workers who have little social safety nets<sup>5</sup>

- Shared mobile phone ownership limits independent usage of mobile money accounts tied to a specific SIM/phone
- USSD-based menus on English language phones more difficult for less digitally literate women and girls
- This explains the prevalence of OTC transactions (women not using their own accounts to transact) which further limits progression/graduation to using mobile money to complete more sophisticated financial transactions beyond P2P

### Implications for future product design

- Bundling financial literacy with pilots of insurance products (specifically weather and health) can help deepen women's awareness, trust and understanding of offerings, as well as address critical risks women face<sup>4</sup>
- Given general comfort women have with MFIs, there is scope to use MFIs as an entry point to advance digital FI for women by facilitating partnerships between MFIs and MM providers to develop digital MFI products/digitize MFI transactions. This may include measures to address women's and girls' lower mobile ownership.

[1] Summary features of common products, not intended to be comprehensive of all offerings [2] ASA e.g. figures. [3] CFI: [Making microinsurance work in Bangladesh](#) (2017) [4] Akter et al: [Gender gap in agricultural insurance demand](#) (2015) [5] KII insights [6] bKash,: [Business Model of bKash](#) (2014)

# Products are ill adapted because of a weak culture of using sex-disaggregated data to inform product design



## Enabling environment

While some sex-disaggregated financial inclusion data is collected (*see below*), there is a gap in sex-disaggregated data collection policy in **mobile money, financial literacy** and at the **credit bureau level**.<sup>1</sup>

### Financial inclusion areas covered by sex-disaggregated data collection policy of Bangladesh Bank<sup>1</sup>

- Account ownership
- Credit
- Savings
- Mobile banking & money
- Credit bureau
- Financial literacy
- Payments
- Microinsurance

## Supply-side

**Monitoring of the execution** of these policies is limited, however. Even where supply-side actors do collect data, they **rarely use the data to better tailor** product offerings to the needs of the women's market and its sub-segments; given the formulaic approach of MFIs which makes the supply-side slow to innovate.

*"We do collect sex-disaggregated data but we don't have women specific products in MFS... there are some on the banking side."*

- Retail bank

*" There are currently lots of assumptions around women's preferences; there is a need to bring more data into the conversation around the unmet financial needs of women."*

- Civil society organization

*"What incentives do MFIs have to scale up loans and do market research into designing new products? Central bank circulars do not consider the extra resources that are required for FSPs to cover costs of researching and implementing new initiatives."*

- Civil society organization

**Given the limited resources of the Central Bank to monitor adherence to its data collection policies, the limited resources of supply-side providers, as well as the lack of gender diversity in the staff of both the regulator and FSPs,<sup>2</sup> there is little analysis and usage of sex-disaggregated data to drive product design.**

Sources: Dalberg key informant interviews (May 2017) [1] This policy covers scheduled banks as well as non-bank financial institutions and MFIs. Key references: AFI: Leveraging sex-disaggregated data to accelerate progress towards women's financial inclusion (2017) [2] Unable to find hard data on representation levels in the regulator, but KII insights suggest women were at most 20% of FSP staff.

# FSPs also lack awareness of women as a viable customer segment beyond microfinance



## What is the problem?

- Beyond microfinance, women are not perceived to be a bankable customer segment; a **'copy-paste' mentality prevails**
- Women's **under-representation in the formal economy** makes it **difficult to shift the mindsets** of supply-side providers
- **Labour force participation** of women is 43% (vs. 81% for men)
- Of total female employed labor, **92% is in the informal sector** (vs. 85% for men)
- Only **14% of firms have a female top manager** (vs. 32% average for South Asia region)

*"There is a sense of complacency that financial inclusion for women is 'done'. Nobody really thought about what comes after microfinance."*

- Civil society organization

*"Banks **have to change their mindsets** to see female entrepreneurs as a serious segment."*

- Civil society organization

*"**We don't see women on the streets. It's a simple reality we are living with....** We are a for-profit company. Inclusivity for the sake of it is not on our agenda."*

- Mobile money provider



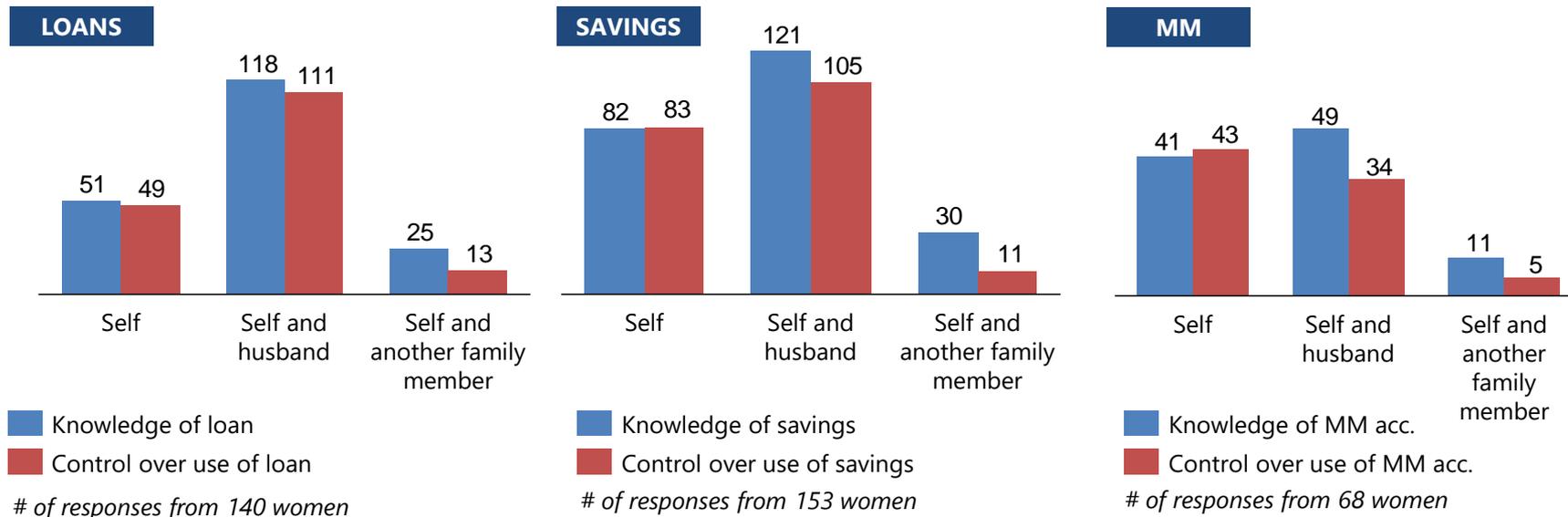
## What is required going forward?

- **Data and research** on use cases of women as viable customers within existing and potential bank portfolios i.e. context-specific business cases for different segments of women
- **Advocacy and dissemination** of this research to supply-side providers
- **Capacity building** to help supply-side providers collect and use demand-driven data to inform product design
- **Innovation funding** to incentivize providers to pilot women segment-specific products

# Finally, even when products are used, control over usage is often shared

## Knowledge and control over usage of loans, savings and mobile money accounts<sup>1</sup>

Please note counts (as opposed to %) are given since respondents were able to provide more than one answer to these survey questions



*"Dealing with intra-household social dynamics is still a gap, insofar as **men are still taking 70% of all loans and deciding how they are spent**"*

- Civil society organization

There is a clear **relationship** between **knowledge** of products and **who controls the usage** of products

[1] UNCDF Dalberg Country Assessment Survey (May 2017)

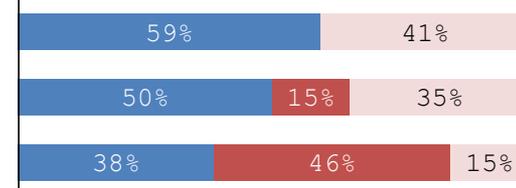
# Shared usage can still increase confidence and decision-making

The majority of surveyed women reported **their involvement in daily spending decisions as well as their self-confidence had increased** as a result of **even shared usage of loans and savings**.

## Effect of product usage on everyday decision-making based on who controls product usage<sup>1</sup>

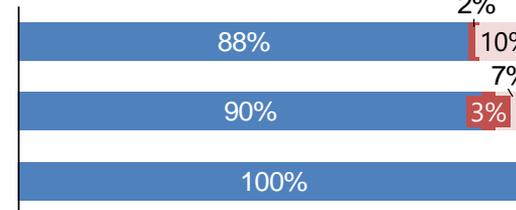
## Effect of product usage on self-confidence based on who controls product usage<sup>1</sup>

### LOANS % of responses from 140 women



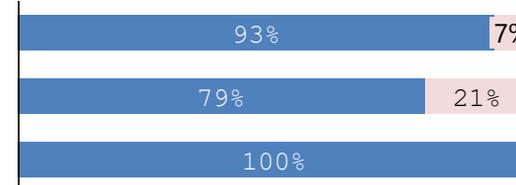
*Of all products, loans has the smallest effect on self-confidence*

### SAVINGS % of responses from 152 women



*Of all products, decision-making and self-confidence is high across the board for savings.*

### MM % of responses from 65 women



*Of all products, MM has no negative effect on decision-making or self-confidence.*

■ Increased involvement 
 ■ Decreased involvement 
 ■ No effect 
 ■ Increased self-confidence 
 ■ Decreased self-confidence 
 ■ No change

[1] UNCDF Dalberg Country Assessment Survey (May 2017)

# Working with husbands is key to agency; some good practices are emerging but not yet in the FI<sup>1</sup> space

## Field work insights<sup>2</sup>

- **78%** of surveyed women stated they were **“household contributors”** in terms of their primary occupation; and **61%** said that **their partner/husband’s preferences influenced their choice of primary occupation**<sup>3</sup>
- Future husbands are perceived as **critical gatekeepers of agency** for adolescent girls<sup>4</sup>
- Some rural women with more supportive husbands have been to **able negotiate intra-household bargaining power better**, and been allowed to decide how to spend agricultural loans<sup>4</sup>

***“Good” husbands will give us freedom, independence and let us work. “Bad” husbands will not.***

- Out-of-school adolescent girl

***“Even if they could be paid into their own MM account, sometimes garment workers still give their husband’s MM account details to receive their wages”***

- Civil society organization



The Asia Foundation

The Asia Foundation has a number of good practice approaches to increase women’s agency in the wider empowerment space by:

- Using religious leaders (imams and imams’ wives) as entry points to engage wider communities on gender-based violence issues
- Engaging with husbands, not just wives, in addition to the wider community

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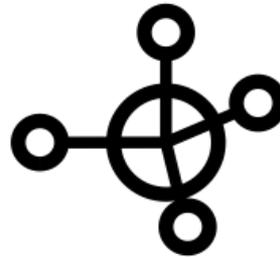
# A variety of actors are working to advance women's financial inclusion and economic empowerment

## Civil society and international organizations

CSOs are principally focused on demand-side capabilities as well as some advocacy to FSPs to improve women's access to financial products and services. Some are doing work on agency issues but there is a gap in focus on social norms as they specifically pertain to financial inclusion.

## Financial service providers

MFIs remain the lead financial provider for women in terms of non-financial services bundled with tailored products, but there are few existing efforts to capitalize on this captive market of women customers through partnerships between different FSP types. Retail FSPs and MM providers presently only show a fragmented interest in targeting women.



## Government stakeholders

The central bank is in the process of finalizing its national financial inclusion strategy, however thus far there appears to have been little consultation with the Ministry of Women and Child Affairs to secure a prime focus on closing the gender gap. Weak government capacity already hampers the enforcement of gender-based financial concessions for women.

## Private sector actors

Critical private sector actors relevant to women are factory owners in the ready-made garment sector given that their employee base covers approximately 3.5 million women.<sup>1</sup> Some are showing progressive approaches to economically empowering their 80% female labor force, but these approaches have not yet been mainstreamed throughout the sector.

**The ecosystem can be characterized by a mix of activities working on the supply, demand and enabling environment, but few actors are holistically addressing challenges in all three spheres at the same time. Partnerships between different actor types as well as across spheres need to be strengthened.**

[1] RMG sector employs approximately 4.4 million workers, 80% of which are women.

# Civil society and int'l organizations are working across demand, supply and enabling environment (1/4)

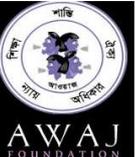


Organization	Demand	Supply	Enabling environment	Socio-cultural context
Asia Foundation				
Awaj Foundation				
BWCCI <sup>1</sup>				
BRAC				
BSR <sup>2</sup>				
Plan Bangladesh				
MicroSave				
SPRING Accelerator				
UCEP				
UNDP				
UN Women				
<b>Stakeholder activity trends and analysis</b>	<p>Activity is clustered around developing <b>women's financial capabilities</b> (skills, literacy and confidence). These <b>non-financial services are largely connected with access to products and services</b> (see supply). A <b>key gap is the adoption of a 'segment approach'</b>; with the exception of those working on RMG sector issues, demand-side activity <b>does not appear to recognize the different needs and constraints of women based on their lifecycle stage or economic segment.</b></p>	<p>Activity is largely focused on <b>facilitating linkages for specific segments of women/girls by advocating to FSPs</b>. However, the scale of these awareness raising efforts are limited to specific partnerships/pilots and the <b>efforts do not represent wholesale advocacy of the business case</b> for serving women and girls. The connections to supply-side actors is also mainly focused on banks/MFIs, with <b>less engagement of mobile money operators.</b></p>	<p>International organizations are most present in the enabling environment space given their greater accessibility to policymakers, though <b>further government capacity building support is needed</b>. Amongst CSOs, activity is more limited, though those who are engaged are having some success at <b>convening stakeholders, including women themselves, on policy issues</b>. There is <b>scope for these efforts to be further scaled for greater impact.</b></p>	<p>Most work is focused on <b>harassment whether in the workplace or at home</b>. There is a <b>gap in work on social norms specifically within the financial inclusion context</b> e.g. in terms of intra-household financial decision making issues. Given this gap, but also the <b>success of certain grassroots engagement efforts</b> e.g. through religious institution members, there is <b>scope to use these techniques to help build community and household level 'business cases' for women's FI.</b><sup>3</sup></p>

[1] Bangladesh Women Chamber of Commerce and Industry [2] Business for Social Responsibility; [3] Financial inclusion

# Civil society and int'l organizations are working across demand, supply and enabling environment (2/4)



	Description <sup>1</sup>
	<p><b>Asia Foundation</b> serves women's economic empowerment principally through working on the policy environment for access to finance and M4P programming to identify market gaps and opportunities for women.</p> <p><i>Demand:</i> Trains women entrepreneurs on technology including mobile pay, and facilitates market linkages for these women</p> <p><i>Enabling environment:</i> Convenes stakeholders together to encourage greater dialogue and bridge the gap between policy and grassroots so that policymakers have a better understanding of grassroots realities</p> <p><i>Agency:</i> Uses religious leaders (imams and imams' wives) as entry points to engage women and men in dialogue with their wider communities on gender-based violence issues</p>
	<p><b>Awaj Foundation</b> works to promote women's voice and opportunity in the ready made garment (RMG) sector to secure the sustainable livelihoods of its more than 100,000 members.</p> <p><i>Demand:</i> Facilitates financial management training to raise awareness of the importance of savings, budgeting, financial autonomy, account opening etc.</p> <p><i>Access:</i> Acts as a signatory for women to open accounts; helps women complete required documentation; helps women in getting IDs</p> <p><i>Agency:</i> Engages in dialogue with factory managers on sexual harassment issues; provides legal aid for women</p>
	<p><b>Bangladesh Women Chamber of Commerce and Industry</b> is a dedicated industry and commerce forum working for women entrepreneurs and their rights.</p> <p><i>Access:</i> Builds business capacity, awareness and knowledge for entrepreneurs to grow their businesses, meet needs for loans, access financial products etc.</p> <p><i>Agency:</i> Advocates as a representative for the concerns of women business owners; provides hotline numbers for redressal of safety, harassment and corruption issues</p>

[1] Non-exhaustive descriptions of all of these stakeholders' programming; highlights as they relate to metrics of financial inclusion are presented. The two principal lenses of analysis are (i) supply/demand/enabling environment and (ii) access/usage/agency (referring to controlling the benefits

# Civil society and int'l organizations are working across demand, supply and enabling environment (3/4)



CSOs/Int orgs	Description <sup>1</sup>
	<p><b>BRAC</b> is a large international NGO that started in Bangladesh. It is present in every village in the country, with cross-cutting community empowerment and gender programs.</p> <p><i>Access/Supply:</i> Microfinance arm of NGO has long history of delivering microfinance and financial literacy to improve financial access for vulnerable populations across the country</p> <p><i>Usage:</i> Piloting the bundling of digital literacy programming in schools to increase bKash usage and encouraging girls to teach their mothers.</p>
	<p><b>Business for Social Responsibility/HERFinance</b> is working to digitize wage payments of RMG workers.</p> <p><i>Access/Supply:</i> Works with employers to digitize cash payments; increases linkages between factory owners to local financial service providers</p> <p><i>Access/Demand:</i> Builds garment workers' confidence and awareness in using bank accounts; gives financial training on savings, credit, planning etc.</p>
	<p><b>Plan Bangladesh</b> works to secure sustainable futures for children in Bangladesh across priority areas in education, health, child protection and disaster risk management</p> <p><i>Agency:</i> Tackles issues of child marriage as part of its child protection programming; has provided sexual health education to over 130,000 adolescents and conducted gender sensitization trainings in over 900 communities.</p>
	<p><b>MicroSave</b> is a financial inclusion advisory firm that works to generate research and solutions by working with private and public sector stakeholders</p> <p><i>Access/Demand:</i> Researches demand-side customer insights</p> <p><i>Usage/Supply:</i> Increases financial product uptake among consumers through targeted programs with FSPs</p>

[1] Non-exhaustive descriptions of all of these stakeholders' programming; highlights as they relate to metrics of financial inclusion are presented. The two principal lenses of analysis are (i) supply/demand/enabling environment and (ii) access/usage/agency (referring to controlling the benefits of financial product & service use)

# Civil society and int'l organizations are working across demand, supply and enabling environment (4/4)



CSOs/Int orgs	Description
	<p><b>SPRING</b> is an accelerator program funded by DFID, the Nike Foundation, USAID and Aus DFAT to supports companies that offer life-enhancing products and services for vulnerable girls. Bangladesh applications will be considered for the fourth cohort to start in early 2018.</p> <p><i>Access/Supply:</i> Identifies companies with services that can enable girls to keep safe, lean, earn and save.</p>
	<p><b>UCEP</b> is a technical and vocational training institute that educates underprivileged children and adolescents. It works across 10 districts and serves 55,000+ youth and children.</p> <p><i>Access/Supply:</i> Partners with FSPs to help the approximately graduates who go onto self-employment (70% of whom are female) to link aspiring entrepreneurs with access to finance</p> <p><i>Agency:</i> Conducts research on social barriers that are limiting women's and girls' participation in vocational education; recognizing harassment concerns, organizes single-sex transport for female students to UCEP campuses</p>
	<p><b>UNDP</b> has worked with and for local communities and governance institutions in Bangladesh since 1972.</p> <p><i>Access/Demand:</i> Through its 'Strengthening Women's Ability for Productive New Opportunities' (SWAPNO) project, uses 'graduation' approach to alleviate poverty of ultra-poor women; takes cash-for-work as entry point, and offers training to build savings culture with women's wages, before assistance given to transition women to market-driven employment through vocational skills development and linkages to local SMEs</p>
	<p><b>UN Women's</b> Program Office was established in 2005 in Bangladesh.</p> <p><i>Enabling environment:</i> Builds capacity of government ministries to apply gender-responsive budgeting in its national financial decision making</p> <p><i>Enabling environment/Agency:</i> Works with various ministries and CSOs to reduce violence against women</p>

[1] Non-exhaustive descriptions of all of these stakeholders' programming; highlights as they relate to metrics of financial inclusion are presented. The two principal lenses of analysis are (i) supply/demand/enabling environment and (ii) access/usage/agency (referring to controlling the benefits

# The supply side landscape beyond MFIs reveals a fragmented interest in women as customers

Key supply-side providers		Product offerings for women	Delivery mechanisms	Financial capability training
<b>Retail FSPs</b>	Bank Asia	Agricultural loan offerings targeting 75% women; gov't social welfare transfers; pilots for RMG sector wage payments	Agent banking has launched in the last 3 years and allowed some providers to expand their outreach; male-dominated agent networks are a limiting factor, however; brick-and-mortar branches remain a challenge for more rural women	Financial literacy program with BRAC
	Dutch Bangla Bank	Some tailored banking products for women; pilots for RMG sector wage payments		N/A
	Shonali Bank	No tailored products		Tie up with local NGOs to provide business training
	Jamuna Bank	One tailored loan product for women entrepreneurs		N/A
	Rupali Bank	No tailored products		
<b>Microfinance</b>	ASA	Various products evolved to match women's needs and preferences	MFI branches even in rural, remote areas; use of loan officers often sourced from local communities who women typically trust	Financial literacy often bundled with products to help women understand product features
	Shakti Foundation			
	BRAC Bank			
	Grameen			
<b>MM Providers</b>	bKash	Products indirectly targeted at women given digital government education subsidies to mothers	Large network of agents from local community; agents are male dominated	Fragmented efforts; some financial support given to RMG sector workers to transition from cash wages
	Rocket (DBBL)			
	SureCash			
<b>Insurance</b>	Microensure	No tailored product; health product for women and life +health insurance product for children and their mothers in draft	Fragmented delivery by a large number of providers; comprehensive and cohesive regulation across offerings by various providers is limited	Weak efforts to build market-wide customer understanding and trust; efforts are largely limited to one-off initiatives
	Guardian Life Insurance	Tailored micro-insurance product for MFI clients, offered with BRAC		

[1] Non-exhaustive list of financial service providers. Shortlist based on combination of scale of outreach/interest in women's finance.

# There are opportunities to raise awareness and provide incentives to deepen access and usage for women (1/2)



## Potential partnership opportunities and rationale

### Retail banks



**Bank Asia** already has some product offerings targeted at women and has experience of partnering with BRAC on non-financial service provision. Further incentives could help deepen penetration of these products bundled with non-financial services. Bank Asia currently collects sex-disaggregated data but does not use the data to inform product design. Opportunities exist to further awareness of the case for tailoring product offering as well as build capacity to pilot initiatives.



**DBBL** has already worked with more than 300 factories to support wage digitization through installing ATM booths, branches and agents in these factories. Further capacity building could help DBBL better respond to barriers to usage such as women's financial literacy as well as cash culture of withdrawing wages all at once by delivering non-financial services. DBBL also collects but does not use sex-disaggregated data.<sup>1</sup>

### Microfinance institutions



Both **ASA Microfinance** and **Shakti Foundation** are existing members of the Women's World Banking network. Their experience of tailoring products and financial literacy training to a predominantly female customer base has helped grow female trust in their microfinance models. This extant trust provide opportunities for partnerships to be facilitated with mobile money providers to use microfinance as an entry point to expand women's digital financial inclusion. The MFIs will need incentivizes to pilot digitizing loan disbursements and repayments etc. MFIs loan officer networks could also serve as potential pools from which mobile money providers could source more gender-sensitive agents.



[1] KII insights; Please note due to the fact that DBBL is both a retail bank as well as the second largest mobile banking provider in Bangladesh through Rocket, and has higher percentages of female agents in its agent networks compared to peers. Please refer back to slide 33.

# There are opportunities to raise awareness and provide incentives to deepen access and usage for women (2/2)



## Potential partnership opportunities and rationale

### Mobile money



**bKash** is the largest mobile money provider with 50% market share.<sup>1</sup> bKash does not target women customers due to lack of perceived case for doing so given significant growth of user base. It does, however, use women garment workers in their marketing material to tell the story of P2P remittances. There is scope to harness bKash's market leading role to raise awareness of and provide incentives to close the gender digital divide through bundled digital literacy interventions and improved security of agent touchpoints, by piloting modifications to transactions to alleviate security concerns.



**DBBL** has already worked with more than 300 factories to support wage digitization through installing ATM booths, branches and agents in these factories. Further capacity building could help DBBL better respond to barriers to usage such as women's financial literacy as well as the cash culture of withdrawing wages all at once by delivering non-financial services. DBBL also collects but does not yet use sex-disaggregated data.<sup>2</sup>

### Insurance



**Microensure** has revealed some nascent interest in tailoring insurance products for women. Further incentives to collect data to inform more tailored pilots (bundled with literacy components to improve women's understanding of insurance) could help raise the fragmentation and low penetration of insurance with women. *Lessons can be learned from **BRAC** and **Guardian Life Insurance's** joint launch of their Credit Shield Life Insurance Product in January 2017,<sup>3</sup> in terms of the need to pilot, the need to invest in client understanding and the need to prioritize convenience and usability.*

[1] In terms of agent market presence according to Microsave: Agent Network Accelerator Survey (2016), bKash has 28 million registered accounts but only 23% are female [2] KII insights; [3] CFI: [Making microinsurance work in Bangladesh](#) (2017)

# Amongst government stakeholders, commitment to women's FI is fragmented and limited by weak capacity



Key government stakeholders		Description <sup>1</sup>
Government Departments/Ministries	Ministry of Women and Child's Affairs	Leading government ministry for all gender initiatives, however limited focus on women financial inclusion specifically. No apparent involvement in development/finalization of current national financial inclusion strategy nor in SME strategy.
	SME Foundation/Ministry of Industries	In partnership with Bangladesh Bank, sets policies for women entrepreneurs to increase their access to business credit. Involved in a range of activities from training, to market linkage facilitation, to policy work.
	Access to Information (A2I)	Initiative within the Prime Minister's Office (PMO) to expand the government's public service innovation agenda. Services provided through digital centers with some focus to achieving a gender balance in ownership of these digital centers; efforts to use these centers to improve women's digital/ICT skills as well.
	Ministry of Education	Responsible for secondary, vocational and tertiary education. Currently in process of revising the national curriculum for life skills/TVET/financial literacy with scope to advocate for greater recognition of girls' financial inclusion constraints as part of this.
	Ministry of Agriculture	Responsible for agricultural development and food security. Recognition of women's role in rural economies but no specific gender policies with regard to agricultural finance
Regulatory Bodies	Bangladesh Bank	Central bank and principal regulatory body of financial sector. In process of finalizing national financial inclusion strategy, as outlined through AFI's Maya Commitments and Denarau Action Plan. Requires sex-disaggregated data collection for most products, and has set certain policies to increase women's access such as women-only customer desks, collateral free lending up to 2.5 million taka; 15% of MSME refinance funds allocated to women but weak monitoring and enforcement capacity of these concessions.
	Microcredit Regulatory Authority (MRA)	Regulatory body for more than 900 MFIs that allows autonomy of MFIs to develop tailored products to majority female customers. As of 2010, MFIs must have at a minimum 2 women in management committee. MFIs encouraged to spend surplus 'profits' on trainings/financial capability building for women.
	Insurance Regulation and Development Authority	Regulatory body for the insurance market but weak capacity over fragmented landscape and weak coordination/cohesion with MRA to regulate insurance-type products offered by MFIs; no gender focus.

[1] Non-exhaustive descriptions of all of these stakeholders' mandates and programs; highlights as they relate to financial inclusion are presented. Further details on the enabling environment can be found in Annex, with reference to gender specific policies enacted by different stakeholders

# Strong capacity and commitment can be identified in some of good practices of private sector actors



## CSR Centre

– Corporate social responsibility advisory to private sector



### What are they doing?

- Giving women soft skills training to enable them to take on supervisory roles in factories
- Training more than 800 managers across 10 factories on gender biases and sexual harassment
- Scaling women-owned cottage-industry level enterprises through trainings on marketing, fair trade and responsible business
- Improving women's access to information through partnering with a leading sanitary products company to distribute contact details of organizations for help on health, legal affairs, and livelihood security/financial access, in a pamphlet placed within sanitary towel packaging

### What can we learn?

- The private sector can offer a number of entry points to empower women through building their capacity (i.e. skills and information) as well as the capacity of their touchpoints (i.e. factories) to be more gender-sensitive

**Mohammadi Group** –  
Garment factory owner



### What are they doing?

- Offering to be the guarantor for women workers to allow them to take out loans between 50-100,000 taka
- Mentoring and training women workers to become supervisors
- Providing incentives and benefits for women to pursue educational opportunities
- Advancing women's participation in trade unions and factory management committees to improve greater female representation

### What can we learn?

- Interventions need to combine work at factory level as well as work at a broader ecosystem level to be effective
- Leadership amongst the senior levels of factory ownership is required to drive change
- Best practices in the RMG sector need to be more broadly mainstreamed and scaled

# Our stakeholder analysis has a number of implications for UNCDF in Bangladesh



**Supporting the work of CSOs who have the grassroots outreach and experience will help move the needle on social norms/agency issues as well as access issues**

*Select CSOs could be valuable partners insofar as they have experience of engaging communities to shift social norms, which are critical to improving women's agency. Insofar as they are already working on access issues, CSOs could also be valuable partners to deliver bundled non-financial services in pilots with select FSP providers (see below).*

**Raising awareness and providing incentives will be key to building the capacity of FSPs to deepen product penetration with women**

*Some retail FSPs are showing signs of a gender interest, however commitment to developing and delivering products to women will remain fragmented without greater awareness of the business case for serving women segments and incentives to commit resources to developing pilot products and services e.g. digital wage payments for garment factory workers.*

**Building the capacity of the central bank to monitor and enforce regulations is critical; roadmaps for change for women's FI need to be created**

*The present capacity of the central bank is a key bottleneck in insuring enforcement of policies. Moreover, capacity needs to be built to set feasible interim targets, and associated plans to reach these milestones, to close the gender gap. The finalization of the national financial inclusion strategy presents an opportunity to create these roadmaps for change.*

**Private sector actors need to be further incentivized to continue emerging best practices in the ready-made garment sector**

*Private sector actors can help drive significant change for women garment workers, by integrating capacity building of both women workers themselves and factory management, through skills training and awareness raising, as well as helping improve women's access to financial products and services.*

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# **RECAP: Our analysis has revealed critical issues across women's and girls' access, usage, control and agency**



## **ACCESS: Access points of retail brick-and-mortar as well as agent and mobile money touchpoints are key constraints for women**

*Given their more limited discretionary time and mobility, accessing retail brick-and-mortar bank branches, where staff can sometimes be discriminatory, can be a challenge for women. Agent banking/mobile money could be a 'solution' but agent networks are >95% male and women are less willing to share personal details with these agents given safety/security concerns.*

## **ACCESS: Requirements for retail lending are particularly challenging for the MSME segment of women are less able to meet these requirements**

*Beyond microfinance, FSPs have the discretion to set strict KYC requirements for trade licenses, tax documentation & financial statements, as well as guarantors. Women MSME owners are less able to meet requirements due to the informality of their businesses & weaker business capabilities, leaving them unable to 'graduate' from MFIs for business growth.*

## **USAGE: A mismatch between women's needs & products drive use of friends/neighbors and other informal means of financial support**

*Among non-MFI products, critical features (e.g. minimum balances) limit women's usage/encourage dependence on informal means to meet everyday, emergency and financial goals. Limited formal offerings are due to a weak culture of using sex-disaggregated data to inform product design and poor awareness of women as viable customers, beyond microfinance.*

## **AGENCY: Even when women do use financial products, their control over usage is often shared with husbands**

*Across all products, more than 45% of surveyed women share control over usage with their husbands. This increases to 85% with loans.<sup>1</sup> This suggests that husbands are critical gatekeepers of change for women's agency. However, even with shared control over usage, women report increased involvement in daily spending decisions and self-confidence.*

# In the short to medium term, a number of opportunities emerge to address key constraints (1/2)



At a high level, our analysis has identified (i) **the supply of products and services tailored to women** & (ii) **promotion of the use of sex-disaggregated financial inclusion data** as broad strategic focus areas. Please note, many of these activity recommendations need to be collectively implemented to be effective. UNCDF can play a critical role in bridging silos and bringing stakeholders together.

Data and research  
Capacity building  
Policy and advocacy  
Innovation funding  
Convening

## UNCDF key functions

D CB PA IF C

Supply-side

### Access

- 1 Build capacity and offer innovation funding to mobile money (MM) providers and agent banking providers to improve gender sensitivity of agent networks for e.g. through using MFI loan officer networks, offering gender trainings to male agents<sup>1</sup>
- 2 Build capacity and offer innovation funding to MM and agent banking providers to pilot ways to improve security of transactions for women e.g. through modifications to what personal details are disclosed, such as SureCash's demand for only a/c numbers

### Usage

- 3 Research and disseminate context-specific business cases to advocate for products (savings, credit, insurance and payment) tailored to women's/girls' needs<sup>2</sup>
- 4 Offer innovation funding to incentivize FSPs, MM and insurance providers to collect and use sex-disaggregated data to understand customer journeys and to pilot products (savings, credit, insurance, and wage payments) for women bundled with non-financial services to support women's uptake of retail/non-MFI products
- 5 Facilitate partnerships between MFIs and MM providers, & offer innovation funding to pilot the digitization of MFI transactions using established MFIs with large female customer bases e.g. Shakti, ASA as entry points for deepening digital financial inclusion
- 6 Facilitate partnerships between MFIs and retail banks and offer innovation funding to run pilots to support women's MSME owners' 'graduation' from the former to the latter through tiered KYC requirements that recognize the informality of women's businesses

	D	CB	PA	IF	C
1		×		×	
2		×		×	
3	×				
4	×	×	×	×	
5				×	×
6				×	×

**Partners** bKash (1-5), Dutch Bangla Bank (1-5), SureCash (2-5), Bank Asia (3, 4, 6), Shakti Foundation, (4-6) ASA Microfinance (4-6), Microensure (3,4,6), BRAC (4-6) other FSPs *tbd*.

[1] A further idea could include the use of short customer satisfaction survey to capture women's feedback [2] Particularly in specific economic roles

# In the short to medium term, a number of opportunities emerge to address key constraints (2/2)



		D	CB	PA	IF	C
Demand-side	<b>Access/Usage</b> <b>1</b> Build capacity and offer innovation funding to MM providers, civil society and factory owners to bundle key payments with literacy trainings and link these to savings plans e.g. digital school fee/wage payments for adolescent girls and garment factory workers as using these segments as entry points to deepen women’s digital financial inclusion <b>2</b> Partner with civil society organizations to build capacity of women MSME owners in tandem with advocacy to FSPs on alternative account opening/documentation requirements building on existing efforts of women’s business chambers like BWCCI		×		×	
	<b>Partners</b> BRAC (1), bKASH (1), Mohammadi Group and other factory owners <i>tbd.</i> (1), BSR (1), DBBL (1,2), AWAJ Foundation (1), SME Foundation (2), BWCCI (2)			×		×
Enabling environment	<b>Access/Usage</b> <b>1</b> Build capacity of Bangladesh Bank to effectively monitor and enforce the execution of existing gender-sensitive policy concessions such as 15% MSME refinancing policy for women and women-only customer desks at retail banks; provide consultation support for draft national financial inclusion strategy and involvement of gender experts <b>2</b> Support the central bank to implement a gender sensitive and women targeted approach in its national financial inclusion strategy and deliver on its commitments. e.g. identify key implementing partners, set interim milestones, and design M&E framework <b>3</b> Convene government with non-government stakeholders to bridge information gaps on the realities of women’s financial inclusion ‘on the ground’ to ensure government accountability to enforcement of policies and reforms		×	×		×
	<b>Partners</b> AFI (1,2), Bangladesh Bank (1-3), Ministry of Women and Children’s Affairs (3), Prime Minister’s Office (3), Planning Commission (3), other government stakeholders <i>tbd.</i>			×	×	
Agency	<b>1</b> Partner with civil society organizations to build “the business case for communities” to engage men, boys & local communities on the importance & value of women’s FI using the methodology of Asia Foundation to engage through imams and imams’ wives <b>2</b> Build capacity of CSOs to raise awareness of the negative implications of child marriage, as well as vocational institutions that can offer ‘alternative pathways’ to early marriage	×		×		×
	<b>Partners</b> UN Women (1,2), Asia Foundation (1), BALIKA (2), BRAC (1,2) UCEP (2), religious institutions (mosques) (1), other CSOs <i>tbd.</i> (1,2)			×	×	

# Furthermore, a number of key research questions remain unanswered

## Supply-side

### **What is the market opportunity for specific products for specific segments of women and girls in Bangladesh?**

- What is the market opportunity for tailored credit products for women MSME owners/agricultural insurance for women farmers/linking banking products to digital wage payments for ready-made garment factory workers?
- What is the business case for supply-side providers, to engage with partners or independently deliver non-financial services bundled with tailored financial products e.g. digital literacy training for adolescent girls bundled with mobile money offerings?
- What lessons can be learned from good practice cases of tailored women's and girls' products and services in similar contexts e.g. in terms of tiered KYC requirements and other delivery/access feature modifications?

## Demand-side

### **What particular actions/events/initiatives/people have enabled women and girls to overcome barriers to financial inclusion? i.e. How can we understand the enabling dynamics of access, usage, control and agency?**

- What are the defining/differentiating features and characteristics of those women and girls who have been able to secure greater financial inclusion from those who have not?
- What stakeholder measures have been most successful in mobilizing the supportiveness of husbands and communities to encourage women and girls to access and use financial products and services, and how can these be scaled up?

## Enabling environment

### **What are good practices in implementing, monitoring and enforcing policy and regulatory reforms to advance women's and girls' financial inclusion?**

- What is the level of women's economic participation in the financial sector e.g. women's representation within the central bank?
- What is the impact of gender diversity/greater female representation on entrenching gender concerns in policymaking and regulation?

## Agency

### **What are the most effective methods to shift intra-household social norms in Bangladesh?**

- What evidence exists on what drives change in intra-household power dynamics in Bangladesh?
- How have some women and girls been able to secure greater voice and decision-making within the household?

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## **Additional detail from PoWER Global Strategy**

# Our definition of WEE considers women's resources & skills, economic opportunities & control over finances



## Women's economic empowerment (WEE)

Women's economic empowerment is achieved when women and girls, first and foremost in Least Developed Countries, gain the **resources and skills** to **equally access economic opportunities** in the market, as well as the **agency** to use and control the benefits of participating in the market. This is determined by the **enabling** (policy & regulatory) **environment, equitable markets** and the **socio-economic context** that allow women and men to reach their potential.

*Women's and girls' subjective understanding of their own empowerment will vary by context*

# We have converged on specific definitions of financial inclusion & women and girls



## Financial inclusion

Financial inclusion is achieved when all individuals and businesses have access to and can effectively use a broad range of quality, adapted financial services that are provided responsibly, and at reasonable cost, by sustainable institutions in a well-regulated environment.

Three critical components to consider when measuring financial inclusion are **access, usage, control and agency**.<sup>1</sup>

## Women and Girls

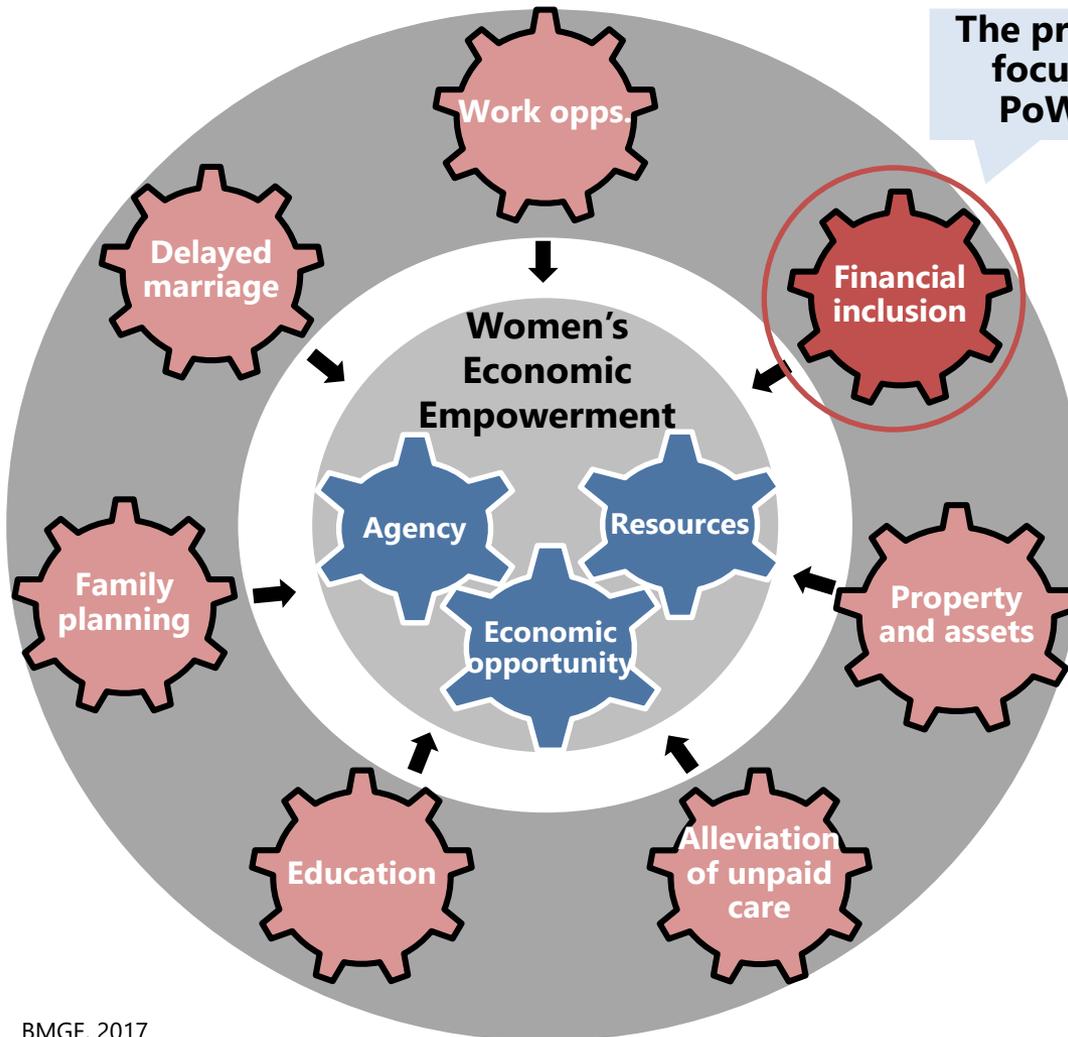
The gender identity to which a person holds, which is typically identified by their biological sex. The distinction between women and girls is age; girls fall between the age of 12 and 24.

Women and girls living in Least Developed Countries will be the focus of the PoWER Program.

[1] Principal focal areas for UNCDF

# Financial inclusion is one critical enabler of women's and girls' economic empowerment and is the focus of PoWER

## Transformation pathways to WEE: priority elements

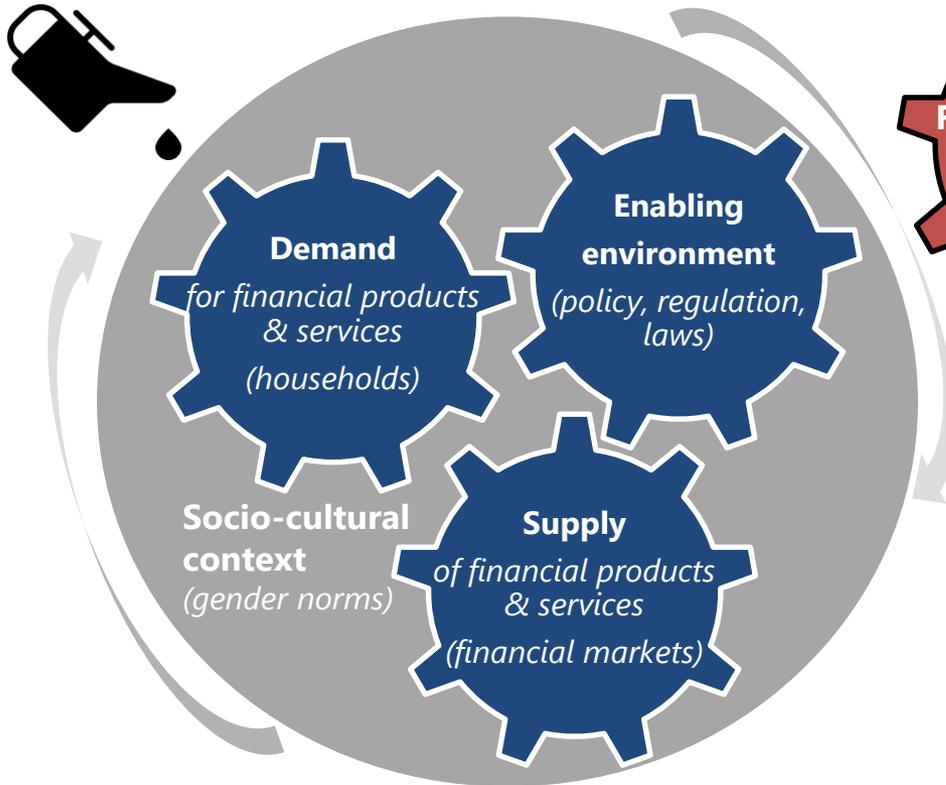


A recent BMGF study highlights thirteen key enablers and conditions for WEE. Of these seven were prioritised as key levers to be focused on when driving WEE. Other drivers include:

-  **Mobility and safety**
-  **Right to work**
-  **Workplace equality**
-  **Social programs**
-  **Vocational skills and programs**
-  **Digital inclusion**

# The selected framework was adapted from 7 other frameworks & refined through stakeholder consultation

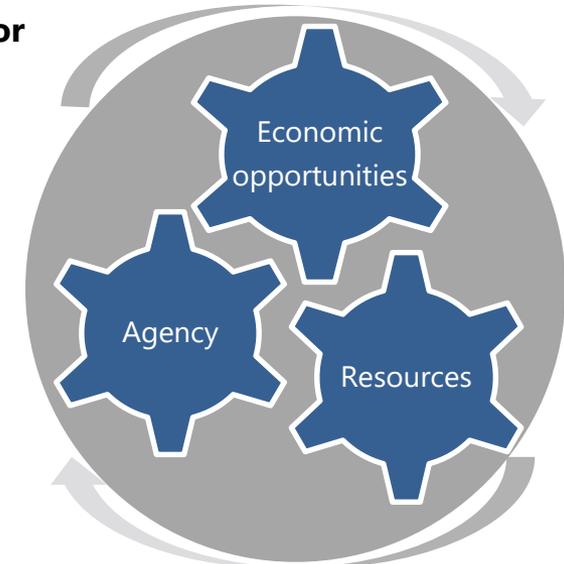
1 Interventions across three spheres of influence, adapted to women's lifecycle needs and economic roles....



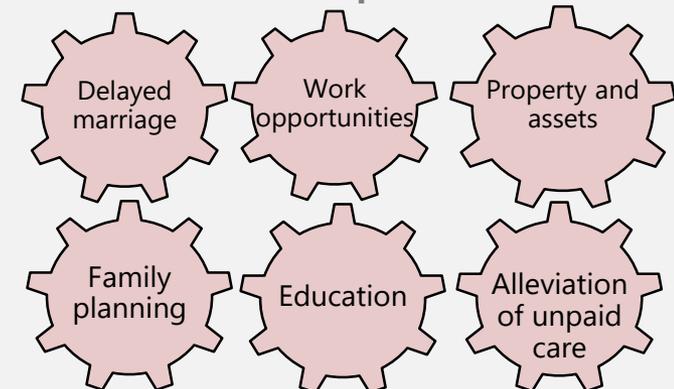
2 ...Drive financial inclusion for individual women and girls....



...Leading to their economic empowerment



Other drivers of women's economic empowerment<sup>1</sup>

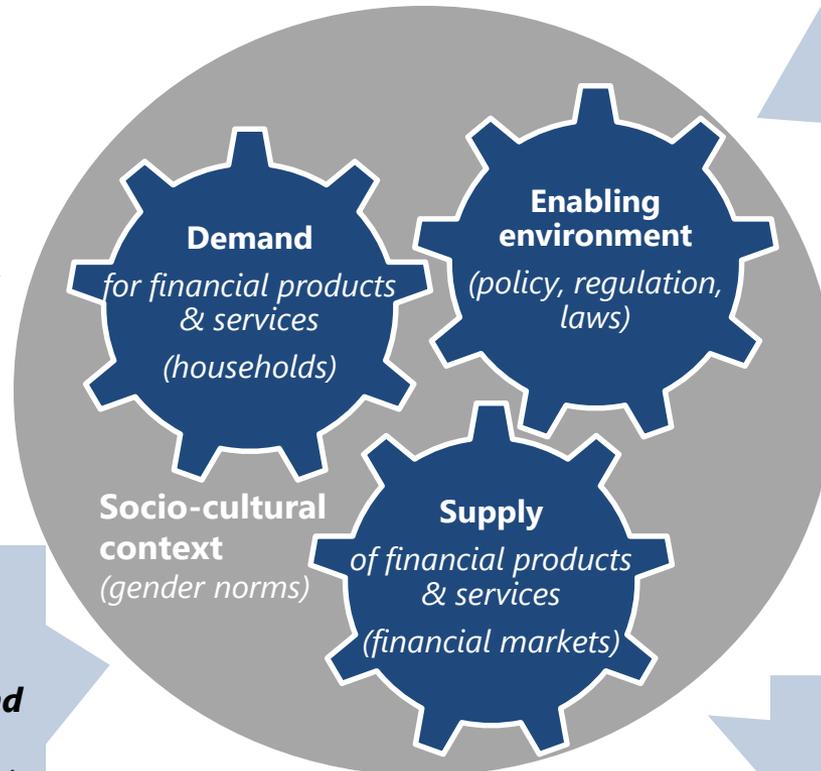


[1] A recent Gates Foundation study highlighted 6 other key drivers of WEE.

# The adapted framework anchors around four spheres of influence, including the household

Women's and girls' demand for financial products and services is shaped by **intra-household decision-making, behaviour, division of labour and lifecycle needs**. e.g. time poverty that women face as a result of women's **unpaid care work**

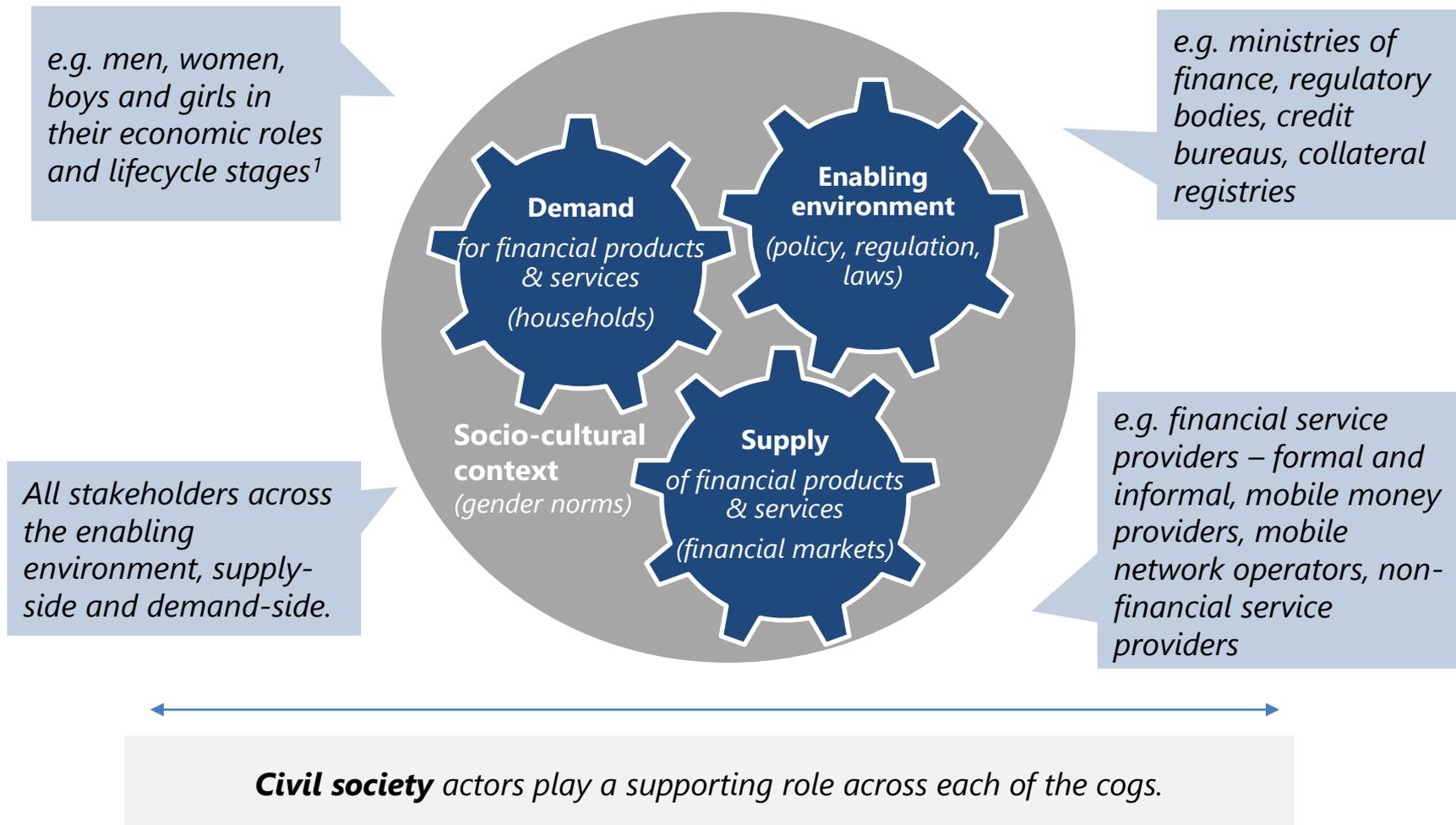
The existence and implementation of **laws, regulatory frameworks, and services** that the state provides, which are influenced by international regulations.<sup>1</sup> These in turn shape the **business environment** in which market actors operate. This sphere of influence covers elements of indirect relevance to FI e.g. inheritance law



Within socio-cultural contexts, specific norms **shape social interactions, define gender roles and inform women's and girls' control over finances**. Norms are enforced by informal social sanctions. Such dynamics underpin biases across each of the other spheres and influence women's participation across each cog.

The **suppliers of financial products and services**, and supporting market actors. Markets can be influenced and shaped by policy, infrastructure and socio-cultural contexts.

# There are a range of actors in each sphere of influence with whom PoWER could engage

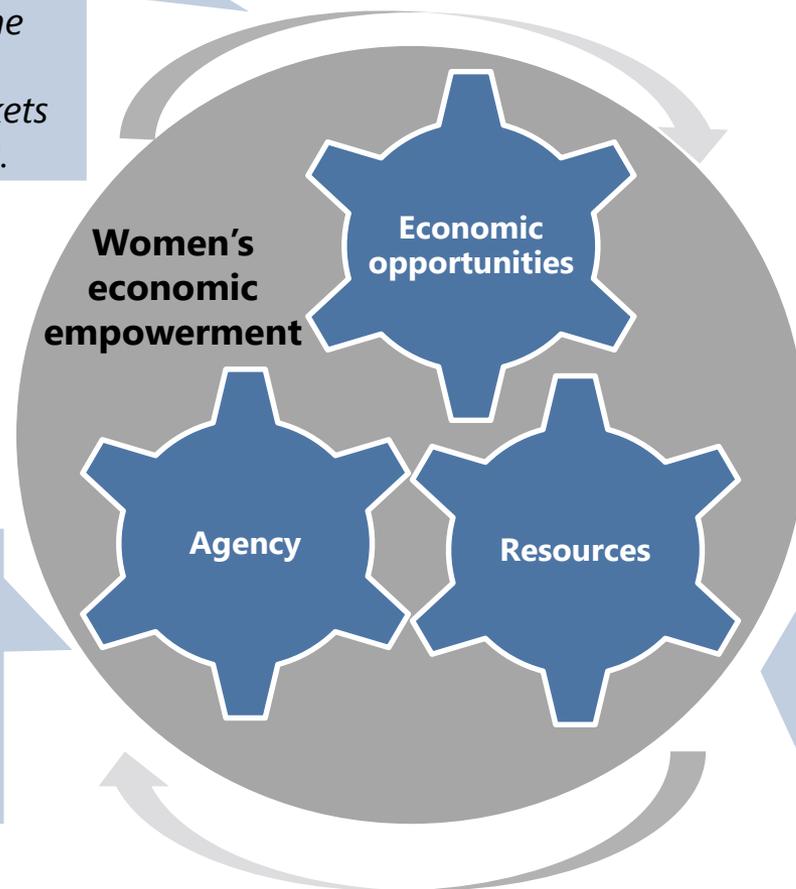


1. Within the household, certain family members have particular influence over women's economic decision-making e.g. husbands, parents-in-law etc.

# Financial inclusion is an accelerator of WEE, defined as agency, resources & economic opportunities

**Economic opportunities:** a woman's opportunity to **earn income from work she wants to do** is determined by the intersection of norms, institutions, access to markets and individual resources.

**Agency:** A woman's ability to **pursue economic goals, express voice, and make decisions** free from negative consequence.

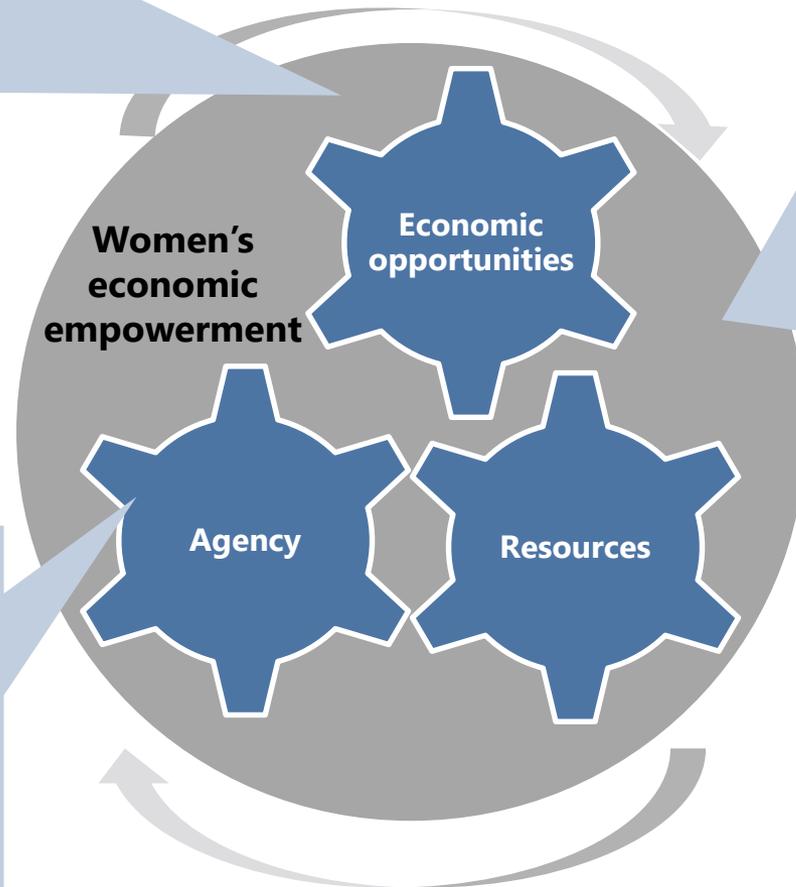


**Resources:** A woman's resources can be broken down into four components. **Health** – a woman's state of physical, mental and social wellbeing. **Education** – a woman's knowledge and skills. **Physical assets** – a woman's control or ownership over monetary or tangible assets **Time** – a woman's options for and control over allocation of time. **Social networks** – the networks that assist a woman interacting in the economy

# Various enablers can be identified within each sub-component of women's and girls' economic empowerment<sup>1</sup>

- Women are able to pursue entrepreneurship/employment unrestricted by mobility and unpaid care work
- Women are able to participate as employees in the public and private sector, including in the wider value chain of financial service providers

- Women participate in household financial decision making
- Women participate in policymaking
- Women participate in public-private dialogue



- Women have access to quality healthcare and education resources
- Women own and control tangible physical assets such as personal identification documents, assets for collateral, mobile phones
- Women have discretionary time benefit from their accumulated resources and economic opportunities
- Women have access to the social capital of networks and associations

1. Note: These 'enablers' are non-exhaustive.

## **Constraint scorecards and further constraints analysis**

# Across spheres, constraints can be prioritized based on country-level detail to produce scorecards



In the slides that follow, scorecards are constructed following country-level analysis of categories of constraints across enabling environment, supply and demand, listed below. Constraints are prioritized for severity based on a qualitative assessment of insights from the Dalberg/UNCDF Country Assessment Toolkit.

Policy Commitment	There are no sex-disaggregated Government financial inclusion targets/objectives, or no gender-sensitive or women-targeted focus areas within the <b>financial inclusion strategy</b> if it exists	Sex-Disaggregated Data Availability and Use	FSPs <b>are not aware or do not see the value</b> in collecting or analysing sex- and age-disaggregated data	Financial Capabilities, Awareness and Confidence	Financial and digital literacy are limited
	There is no national gender strategy or the <b>gender strategy</b> does not mention financial inclusion and is not aligned with the national financial inclusion roadmap where it exists		Even when they are aware, they may not have the <b>capacity or resources</b> to effectively collect and analyse this data		<b>Business management skills</b> (including pitching skills) are limited
	<b>Female representation</b> in the central bank or policy-making bodies is weak overall and/or in the leadership positions	Products Adapted to Women's Needs and Realities	FSPs lack awareness of the 'women's market' which can feed into <b>biased/prejudiced attitudes</b> of FSP staff		<b>Access to market information and vertical social networks</b> are limited
Gender and Age-sensitive Financial Regulations	The central bank neither incentivize nor publishes the collection of <b>sex disaggregated data</b>	Gender-sensitive Delivery Mechanisms	FSPs may not know how to develop <b>adapted products</b>	Documentation, Ownership and Control over Assets and Income	<b>Lack of confidence/risk aversion</b> can inhibit use of financial products
	<b>Consumer protection</b> regulations are underdeveloped		Products not delivered in tandem with <b>non-financial services</b>		Paid work is often <b>poorly paid and precarious</b>
	<b>Product/delivery regulation</b> constrains private sector innovation e.g. agent banking, mobile financial services, collateral requirements	Gender-sensitive Requirements to Open and Manage Accounts	<b>Marketing</b> is not targeted to women and girls		Household work is <b>unpaid</b>
	<b>KYC regulations</b> place a heavy burden on opening and managing an account for women and girls		Physical <b>financial service access points</b> and agent network are limited/inappropriate and do not cater to time and mobility constraints	<b>Land ownership, and control/usage of land</b> is limited	
	<b>Financial infrastructure</b> such as payment systems, credit bureaus and collateral registries do not exist or function effectively	Membership of Self Help	<b>Credit scoring processes</b> are not adapted to women's and girls' limited credit histories	<b>Mobile phone ownership</b> in own name is limited	
			<b>KYC regimes</b> are not adapted to women's and girls' identification documents	<b>ID ownership</b> to meet account opening requirements is limited - including ownership of multiple forms of ID	
		<b>Independent management</b> of accounts may be limited by age or requirement for husband approval	<b>Mobility</b> is restricted to the home or to a limited geography for multiple factors including husbands' permission, security and household responsibilities		
		There is a lack of coordinated effort to scale <b>SHG networks</b> effectively	Family responsibilities and lack of affordable childcare solutions contribute to <b>time poverty</b>		

# Prioritizing constraints: Enabling environment constraints scorecard (1/2)



	Constraint	Detail on constraints in Bangladesh	Constraint severity
Policy Commitment	There are no sex-disaggregated Government financial inclusion targets/objectives, or no gender-sensitive or women-targeted focus areas within the <b>financial inclusion strategy</b> if it exists	Bangladesh is a signatory to AFI's Maya Declaration but it is still in the process of finalizing its financial strategy. Despite rhetoric of a focus on women It is unclear to what extent concrete targets/roadmaps for change will be made for women's financial inclusion. Current provisions for women's FI are poorly monitored and enforced such as the 15% of refinance funds for MSME sector allocated to women. <sup>1</sup>	
	There is no national gender strategy or the <b>gender strategy</b> does not mention financial inclusion and is not aligned with the national financial inclusion roadmap where it exists	In Bangladesh's 7 <sup>th</sup> Five Year Plan (2016-2020), one of the strategic objectives is increasing economic benefits for women through better access to financial services. Targets for women's non-agricultural employment, primarily through MSMEs have not been updated from the previous plan however due to failures to meet previous targets. <sup>2</sup>	
	<b>Female representation</b> in the central bank or policy-making bodies is weak overall and/or in the leadership positions	Despite a history of female heads of state, Bangladesh is one of the ten lowest ranking countries in the World Economic Forum's gender gap analysis in terms of female representation in legislation. Women represent only approximately 20% of public administration/civil service. However, quotas exist for female participation at all levels of the government and political fora. <sup>3</sup> All government jobs mandate 10% for women.	
Gender and Age-sensitive Financial Regulations	The central bank neither incentivize nor publishes the collection of <b>sex disaggregated data</b>	Bangladesh Bank has sex-disaggregated data collection policies for some products but it does not cover mobile money, financial literacy or credit bureau information. <sup>4</sup> The policies covers scheduled banks, MFIs and other non-bank financial institutions, but not insurance providers. Moreover, BB is inadequately resourced to monitor adherence to its data collection policies.	
	<b>Consumer protection</b> regulations are underdeveloped	Comprehensive consumer protection regulations do not exist and are currently in draft stage. <sup>5</sup>	
	<b>Product/ delivery regulation</b> constrains private sector innovation e.g. agent banking, mobile financial services, collateral requirements	MFS regulation allows for interoperability but market is still heavily skewed by dominance of bKash. Pending regulatory approval, banks are able to undertake agent banking business, and a wide range of organizations can serve as agents, and perform a range of services. <sup>6</sup> The challenge is that not many of these organizations are women-run. Collateral free lending is available up to 2.5 million taka but in lieu of collateral requirements, documentation requirements/the need for guarantors (and the qualifications of these guarantors are quite burdensome. <sup>7</sup>	

# Prioritizing constraints: Enabling environment constraints scorecard (2/2)



	Constraints	Detail on constraints in Bangladesh	Constraint severity
Gender and Age-sensitive Financial Regulations	<b>KYC regulations</b> place a heavy burden on opening and managing an account for women and girls	KYC regulations do not account for women’s lower capabilities to meet documentation requirements, beyond microfinance. The critical bottleneck is in business documents (trade licenses, tax statements) and guarantors for women entrepreneurs to access MSME finance. <sup>1</sup> National ID requirements for mobile money and bank accounts are a secondary constraint.	
	<b>Financial infrastructure</b> such as payment systems, credit bureaus and collateral registries do not exist or function effectively	A collateral registry does not currently exist in Bangladesh but the central bank is considering one. The credit information bureau does not sex-disaggregate the data it collects (see previous page). Digital payments systems are expanding giving the Planning Commission’s vision “Digital Bangladesh 2021” which prioritizes digital financial services as a key strategy to move Bangladesh to middle income status by 2021. <sup>2</sup>	
Non-Discriminatory Laws	<b>Laws hinder (married) women's ability</b> to: travel outside the home, obtain a national ID card, sign a contract open a bank account or control marital property	Religious inheritance laws discriminate against women in terms of daughters vs. sons inheritance, and marital inheritance after spousal death. Laws on obtaining a national ID card are not discriminatory per se but women are less able to get national ID cards due to their time poverty and the cumbersome processes to get one. Travel outside of the home is primarily restricted by customary socio-cultural norms, rather than laws. However, recent legal discussions to lower the legal age of marriage below 18 can have serious repercussions on women. <sup>3</sup>	

# Prioritizing constraints: Supply-side constraints scorecard (1/2)



	Constraints	Detail on constraints in Bangladesh	Constraint severity
Sex-disaggregated Data Availability and Use	Financial Service Providers <b>are not aware or do not see the value</b> in collecting or analysing sex-and age-disaggregated data	Some FSPs do collect sex-disaggregated data but a culture of collection and usage to inform product design is lacking due to poor awareness of the business case for serving women with tailored products. <sup>1</sup>	
	Even when they are aware, they may not have the <b>capacity or resources</b> to effectively collect and analyse this data	A data-driven culture is also missing due to poor resources to / poor incentives to invest resources into collecting and analysing data. <sup>1</sup>	
Products Adapted to Women's Needs and Realities	FSPs lack awareness of the 'women's market' which can feed into <b>biased/prejudiced attitudes</b> of FSP staff	Attitudes of FSP staff and (mobile money) agents are not always gender sensitive and can be hostile and intimidating to women, and contribute to perceptions of women that banks are not for them. <sup>1</sup>	
	FSPs may not know how to develop <b>adapted products</b>	FSPs are poorly incentivized to / have the resources to invest in designing tailored products. <sup>1</sup>	
	Products not delivered in tandem with <b>non-financial services</b>	Apart from microfinance, bundling of products with non-FS for women and girls is not widespread. This is a particularly an issue with digital products where weak digital literacy in a further barrier to access/usage. <sup>1</sup>	
Gender-sensitive Delivery Mechanisms	<b>Marketing</b> is not targeted to women and girls	Some marketing is focused on women, but this is not a consistent picture. bKash uses women garment workers sending money back home to their villages in the storylines of their marketing. <sup>1</sup>	
	Physical <b>financial service access points</b> and agent network are limited/inappropriate and do not cater to time and mobility constraints	Agent networks in Bangladesh are >95% male, <sup>2</sup> with security implications for women concerned about sharing personal details at such financial touchpoints. Brick and mortar bank branches are less accessible to less geographically women and often do not have the women-only customer counters they are supposed to have. Women are most comfortable with the microfinance model of delivery though some instances of loan officer harassment have been known to happen. <sup>1</sup>	

# Prioritizing constraints: Supply-side constraints scorecard (2/2)



	Constraints	Detail on constraints in Bangladesh	Constraint severity
Gender-sensitive Requirements to Open and Manage Accounts	<b>Credit scoring processes</b> are not adapted to women's and girls' limited credit histories	Across FSP providers, there is a lack of standardization in the depth of credit checks and other checks in lieu of credit histories, which leaves women exposed to unpredictable and burdensome KYC norms. <sup>1</sup>	
	<b>KYC regimes</b> are not adapted to women's and girls' identification documents	KYC norms are especially burdensome of women seeking to take our financial products especially loans, outside of the microfinance range (>100,000 taka). Documentation requirements for businesses do not consider the frequent informality of women's businesses, and in lieu of collateral, many FSPs request numerous guarantors as part of account opening processes. <sup>2</sup>	
	<b>Independent management</b> of accounts may be limited by age or requirement for husband approval	Independent management of accounts is restricted to ages above 18. Husband approval/guarantor approval can difficult for retail level loans though not particularly for microfinance products. <sup>2</sup>	
Membership of Self Help Groups (SHGs)	There is a lack of coordinated effort to scale <b>SHG networks</b> effectively	'Samitis' are most common in rural areas. They have not been commonly perceived as vehicles to scale finance given historical maturity of microfinance market and greater familiarity and access to MFIs amongst. Moreover, some women express the feeling that these 'samitis' are for women who are better off (i.e. there are social hierarchies even within informal financial products and services). <sup>2</sup>	

# Prioritizing constraints: Demand-side constraints scorecard (1/2)



	Constraints	Detail on constraints in Bangladesh	Constraint severity
Financial Capabilities, Awareness and Confidence	<b>Financial and digital literacy</b> are limited	Financial literacy of women is weaker than that of men across all levels. <sup>1</sup> Digital literacy is a significant challenge for certain segments with some women expressing low confidence in capabilities even after interventions/trainings.	●
	<b>Business management skills</b> (including pitching skills) are limited	IT skills and business management skills are critical bottlenecks in women-owned MSME development i.e. women scaling their informal businesses into viable registered ones with access to capital. <sup>2</sup>	●
	<b>Access to market information and vertical social networks</b> are limited	Women's limited mobility (due to social norms) as well as time poverty leads to less opportunities for women in terms of associational life. Women rarely have opportunities nor the space to express and collectively discuss and their financial hardships and ways to solve them.	●
	<b>Lack of confidence/risk aversion</b> can inhibit use of financial products	Women's lack of confidence stems from and is reinforced by deeply rooted patriarchal social norms that have led to household's traditionally believing that management of household resources is the preserve of the male breadwinner/male members. <sup>3</sup>	●
Documentation, Ownership and Control over Assets and Income	Paid work is often <b>poorly paid and precarious</b>	Of total female labor employed, 92% is in the informal sector. <sup>4</sup> Women in the garment sector have weak labor security with contract breaches common, and the minimum wage in the sector is only 30 cents per hour, which amounts to approximately \$40 per month. <sup>5</sup>	●
	Household work is <b>unpaid</b>	Traditional, patriarchal divisions of labor typically lead women and adolescent girls to look after younger and older, infirm family members; activities with no income earning potential. 60% of female labour (compared with less than 10% of male labour worked as unpaid family workers. <sup>6</sup>	●
	<b>Land ownership, and control/usage of land</b> is limited	Less than 18% of women own land, <sup>7</sup> and control over land is worsened by prevalent social expectations which lead to women commonly delegating control of inherited land to male family members. Anecdotal evidence suggests that in many cases women willingly waive rights to property at the time of marriage, as per customary rules.	●
	<b>Mobile phone ownership</b> in own name is limited	There is a gender gap of 31% in mobile phone ownership. <sup>1</sup> Shared mobile ownership is common with prevalent social norms driving husbands/older children's control over shared phones.	●
	<b>ID ownership</b> to meet account opening requirements is limited - including ownership of multiple forms of ID	Mixed evidence of the prevalence of women's national ID ownership. In UNCDF Dalberg survey, 86% of over 18 year old women had IDs. <sup>8</sup> ID ownership has been cited as a both a limiting factor as well as not a constraint for women's mobile money/bank account opening. The processes of obtaining a mobile phone can be difficult for time poor/less mobile/rural women. <sup>3</sup>	●

Note: Scorecard/heatmap is based on qualitative assessment of desk research, Dalberg KIIs and UNCDF Dalberg FGDs, and data from UNCDF Dalberg Country Assessment Survey. Sources: [1] Intermedia: Financial Inclusion Insights (2015) [2] Dalberg KII insights; [3] Dalberg KII and UNCDF Dalberg FGD insights; [4] World Bank: Bangladesh: Towards Accelerated, Inclusive and Sustainable Growth (2012) [5] Microfinance Opportunities: Garment Worker Diaries (2017) [6] ADB, The Informal Sector and Informal Employment in Bangladesh (2010) [7] FAO Statistics (2011) [8] n=356 over 18 year olds in UNCDF Dalberg Country Assessment Survey (2017)

# Prioritizing constraints: Demand-side constraints scorecard (2/2)



	Constraints	Detail on constraints in Bangladesh	Constraint severity
Time and Mobility	Mobility is restricted to the home or to a limited geography for multiple factors including husbands' permission, security and household responsibilities	Women's mobility is deeply rooted in socio cultural norms which has first-order and second-order effects on women's financial inclusion: women are less able to access brick and mortar bank branches, women are less represented in registered businesses which explains male dominance in agent networks, women have less access to economic opportunities, women have less access to vertical support networks such as women's business chambers. <sup>1</sup>	
	Family responsibilities and lack of affordable childcare solutions contribute to <b>time poverty</b>	Garment factory workers often work an average of 10 hours per day in addition to household responsibilities that need to be completed in the morning before work and evening after work. <sup>2</sup> 60% of female labor (compared to 10% of male labor) work as unpaid family workers. <sup>3</sup> Time poverty resulting from long working hours and family responsibilities hinders the opportunities for women to access financial institutions.	

## Desk Research Summary

# Bangladesh's financial inclusion strategy is currently being finalized; a concrete gender focus is unclear



## Financial inclusion strategy

A National Financial Inclusion strategy is in draft, and it is expected to be finalized by the end of 2017.

### Targets (*Maya declaration commitments*)

- 5 financial services access points per 10,000 adults at the national level;
- 90% of adults with at least one type of regulated deposit account; 14% of adults with at least 1 MFS account
- 32% share of finance portfolio to SME and agriculture financing
- *Bangladesh Bank*: Drawing up the national financial inclusion strategy by 2015, draft consumer protection guidelines by 2016, Conduct survey on MSME financial inclusion indicators by 2016
- *Ministry of Finance*: Direct all state owned banks to bring under National Payments Switch (NPS) and online transaction system
- *Micro Credit Regulatory Authority (MRA)*: Capacity building for 925 MFIs, establish Micro Credit data base by 2015

### Strategy focus areas

- Lower opportunity cost of financial transactions
- Increase capacity of poor people to resist financial shocks and generate income
- Generate macro-level efficiencies through digital financial inclusion through linkages with government and private sector

### Regulator capacity

Bank of Bangladesh has capacity and support from MRA, SME Foundation and Ministry of Finance to implement the policies

## FI strategy gender commitments

Although the gender focus of the upcoming FI strategy is unclear, the country has prioritized the women-owned SMEs through its Industry Policy 2016. Key areas of focus have been access to credit (through a 15% MSME credit quota for women), collateral free credit and enhancing skills of women entrepreneurs (through its ADB-funded "Skills for Employment Investment Program", 40% of whose target group is women).<sup>1</sup>

## Gender strategy

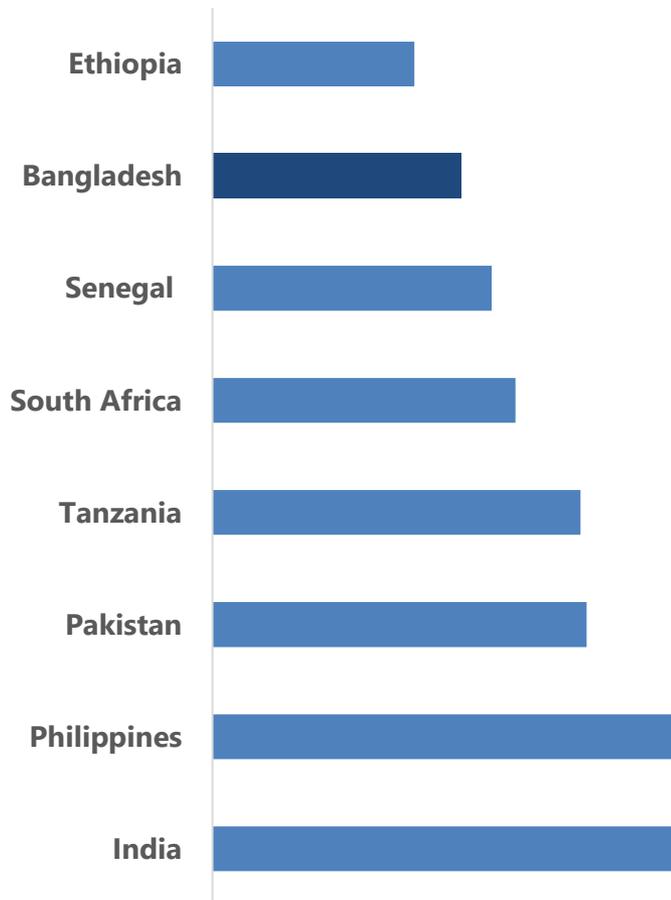
The Ministry of Women and Children Affairs in Bangladesh is the nodal agency responsible for gender strategy development for the nation. The National Women Development Policy 2011 was a government-promised electoral mandate to ensure women development and empowerment under the Sheikh Hasina prime ministry. Several other programs have been taken to materialize the Vision 2021 for establishing rights of women and mainstreaming them in overall development. This includes the National Strategy for Accelerated Poverty Reduction Strategy Paper (NSAPR-II) aimed at poverty alleviation of the women and mainstream them into the macro economy in this age of globalization.

Sources: AFI: Bangladesh Financial Inclusion Commitments (2016); MRA website; Ministry of Finance website; Ministry of Women and Child Affairs: National Women Development Policy (2011); AFI: Survey report on SME Finance Policies for MSMEs Owned by Women (2017) [1] These provisions have been known to be poorly monitored and enforced, according to UNCDF Dalberg key informant interviews (May 2017).

# Bangladesh's overall FI regulations are weak; key enablers of women's and girls' financial inclusion are lacking



## EIU Global Microscope 2016 FI regulation score



**Source:** EIU Economic Intelligence Unit: Enabling Environment (2016)  
Higher scores correspond to more favourable regulation.

Within Bangladesh's regulatory framework, the effectiveness of key regulations influencing women and girls financial inclusion vary:

- Consumer protection
- KYC (commercial banks)
- KYC (mobile money)
- Sex disaggregated data
- Agent banking (non-mobile money)
- Mobile financial services
- Microinsurance legislation
- Credit bureaus
- Collateral registries
- Payment systems

### Qualitative assessment:

**Green:** Relatively appropriately regulated and regulation is being implemented.

**Orange:** Area is appropriately regulated, but regulation not being effectively implemented or area is somewhat appropriately regulated and it is being implemented.

**Red:** Area is inappropriately regulated or unregulated

# In particular, consumer protection and collateral registry policies are non-existent (1/2)



KEY REGULATORY CATEGORIES	DESCRIPTION
<b>Consumer protection<sup>1</sup></b>	Consumer protection guidelines currently in draft as a part of Maya commitments; Consumer Rights Protection Act was legislated in 2009 but does not apply to financial services; consumer protection for MFS mandates that banks are required to provide information and awareness to consumers on rights, obligations and grievance procedures with the provision that consumers can approach Bangladesh Bank for dispute resolution as well. No specific gender focus <sup>1</sup>
<b>KYC (commercial banks)<sup>2</sup></b>	Commercial KYC norms are strict and place restrictive burden on women and girls; Particular norms such as trade license, tax statements and formal business records for loans are particularly difficult for women to meet; Regulations on minimum balance requirements while not specified are generally high for savings accounts; Regulations are overall not standardized and leave it open to FSPs to assess risk of lending to women consumers
<b>KYC (mobile money)<sup>3</sup></b>	KYC for mobile money are minimal (national ID and registered SIM card) and flexible (driven by mobile money providers)
<b>Sex-disaggregated data<sup>4</sup></b>	Bangladesh Bank (BB) has sex-disaggregated data collection policies for some products but it does not cover mobile money, financial literacy or credit bureau information. BB does not have enough resources to monitor adherence to data collection by all FSPs
<b>Agent banking (non mobile money)<sup>5</sup></b>	Agent banking regulations are favourable but recently introduced in 2013; so far, agents can take deposits, provide cash against cheque, facilitate utility payments, start application for bank services. They are restricted from opening accounts, disbursing loans apart from agri-credit application of different bank services. No gender focus

[1] Boston University Centre for Finance, Law and Policy: Financial Inclusion Guide: Bangladesh, Consumer Protection (2011) [2] KYC norms from survey of different FSPs and requirements; BWCCI: Loan Requirements for Women Entrepreneurs (*in Bengali*) (2016) [3] Bangladesh Bank: Guidelines for Mobile Financial Services (2011), [4] AFI: Leveraging Sex-Disaggregated Data To Accelerate Progress Towards Women's Financial Inclusion (2017) [5] Bangladesh Bank: Agent Banking Guidelines (2013)

# In particular, consumer protection and collateral registry policies are non-existent (2/2)



KEY REGULATORY CATEGORIES	DESCRIPTION
<b>Mobile Financial Services<sup>1</sup></b>	<p>MFS is restricted by being a bank led model. Since 2011, there has been a major focus on DFS as a tool for inclusive growth. Currently, reforms being discussed to address three existing issues<sup>2</sup>:</p> <ul style="list-style-type: none"> <li>• Restructure of ownership: Allowing no more than 15% ownership by a single entity; mobile banking operation needs to have ~7 equity partners</li> <li>• MNO role: Telco access to all MFS at the same effective market rates to level the playing field</li> <li>• Interoperability: Multi-player interoperability to incentivize newer players to no lose out due to existing players</li> </ul>
<b>Micro-insurance legislation<sup>3</sup></b>	<p>Insurance legislations came into effect in 2010 with the Insurance Act 2010 and IDRA Act 2010 which recognized the insurance regulatory body as the apex policy body in the market; Microcredit Regulatory Act however also allows for insurance products to be offered by MFIS; No clear demarcation of roles in micro-insurance<sup>2</sup></p>
<b>Credit Bureaus<sup>4</sup></b>	<p>Credit information bureau exists at the central level and is available to banks and financial institutions; Not available to consumers; Use is limited, FSPs generally apply discretionary decision making to credit; Credit Bureau does not cover microfinance. Alternative forms of credit scoring have not been implemented.</p>
<b>Collateral Registries<sup>5</sup></b>	<p>No collateral registry exists for use by FSPs or consumers. Presently, only immovable assets are accepted by FSPs as collateral. However, with financing from the Japanese aid-agency JICA, Bangladesh Bank is preparing to provide for non-traditional movable assets under a "secured lending and movable collateral reform in Bangladesh."<sup>5</sup></p>
<b>Payment Systems<sup>6</sup></b>	<p>National Payments Switch has been implemented, but National Payment System Act not yet legalized; no gender focus in introducing greater security mechanisms for gender sensitive data</p>

[1] Bangladesh Bank: Guidelines for Mobile Financial Services (2011) [2] The Daily Star: Regulatory Guidelines for Mobile Financial Services in Bangladesh (2015) [3] Silvee et al: Existing Insurance Laws of Bangladesh: Challenges & Ways out (2015) [4] Bangladesh bank Credit Information Bureau: Policies and guidelines for new CIB Online Solution (2015) [5] World Bank: Doing Business Index: Bangladesh (2016); The Financial Express; [Bangladesh Bank drafts law making movable property collateral against credits](#) (2017) [6] Bangladesh Bank: Recent Payments System Development in Bangladesh (2014)

# The legal environment is mixed; religious inheritance laws discriminate against women



CATEGORY	SUB-CATEGORY	Score	DESCRIPTION
<b>Apply for ID</b>	Apply for a passport	Green	Equality in the law <sup>2</sup>
	Apply for a national ID	Green	Equality in the law
<b>Property</b>	What is the default marital property regime?	Red	Religious Islamic law based inheritance system (Hindu subjects have Hindu civil code for property ownership)
	Who administers marital property?	Red	By default the oldest male member of household
	Do female and male surviving spouses have equal inheritance rights?	Red	The wife inherits a fixed share of one-eighth of the deceased husband's property if he leaves children, whereas the husband receives one fourth of his deceased wife's property. If he does not leave any children, then the wife inherits a quarter of the husband's estate
	Do sons and daughters have equal inheritance rights?	Red	A daughter, who is an only child, inherits half the estate of her late father or mother. If there is more than one daughter and no son, then the daughters jointly inherit two-thirds of the estate. However, if there is a son, then the daughter's share will be equal to half of the son's share.
	Equal rights to property	Red	Men in most cases inherit more property than women do, mostly because property ownership is accessed through inheritance

Despite women's lack of collateral, collateral is not a significant constraint due to favourable regulations enabling uncollateralized loans under 2.5 Mn Taka; trade licenses and business documents are bigger constraints given women's informal businesses

# The legal environment is mixed; women are not protected against discrimination in access to credit



CATEGORY	SUB-CATEGORY	Score	DESCRIPTION
<b>Discrimination</b>	Constitution protects for gender equality		Specifically guaranteed <sup>1</sup>
<b>Violence</b>	Sexual harassment legislation covers employment		Strong legislative directives in place: sexual harassment at the workplace and educational institutions in both the public and private sectors are defined <sup>2</sup>
	Domestic violence is legislated against		Multiple legislations exist <sup>3</sup>
	Marital rape is legally criminalized		No explicit legal exemptions for marital rape <sup>4</sup>
<b>Work</b>	Paid leave for mothers of infants		Paid leave guaranteed for 16 weeks, recent policy changes to increase it to 6 months <sup>5</sup>
	Paid leave for fathers of infants		2 weeks of paid paternity leave <sup>6</sup>
	Legal protections x gender discrimination in hiring / pay		Legal protections exist for both hiring and pay, 10% govt. jobs reserved for women <sup>7</sup>
	Protects against discrimination in access to credit		No protections <sup>8</sup>
<b>Family</b>	Gender disparity in legal age of marriage		18 years is the legal age; recent Bill is considering lowering the minimum age <sup>9</sup>
<b>Quotas supporting women's leadership</b>	Women on corporate boards		There are no quotas for women <sup>10</sup>
	Women representatives in parliament		1/7 <sup>th</sup> seats reserved in parliaments <sup>10</sup>
	Women representatives in local government		One third seats reserved for women <sup>10</sup>

[1] Bangladesh Constitution [2] Rahaman et al: Sexual Harassment in Workplace in South Asia: A Comparative Study on Bangladesh, India, Nepal and Srilanka (2015) [3] Borgen Project: Bangladesh Violence against Women [4] The Daily Star: Time to Recognize marital rape as rape (2013) [5] The Daily Star: Maternity benefits: Right or Privilege? (2015) [6] The Daily Star: Father's Right to Paternity Leave (2015) [7] Ministry of Women and Child Affairs: Sheikh Hasina's commitment to gender equality (2016) [8] Scan of existing guidelines for banks; no anti-discriminatory clause, [9] Dhaka Tribune: UN to Bangladesh: Set minimum age of marriage for girls at 18 (2017)

[10] World Bank: Women, Business and the Law (2016)



## Desk Research Summary: Demand

# Key comparative statistics on economic and social factors shaping WEE and financial inclusion (1/2)



Key dynamics shaping women's empowerment and financial inclusion	Data
<b>Bangladesh overall development performance</b>	
GDP (IMF data) <sup>1</sup>	\$226.76 billion
GDP per capita (IMF data) <sup>1</sup>	\$1404
Ranking in the Human Development Index (UNDP) <sup>2</sup>	142
% of population living below the income poverty line (ppp \$1.25) <sup>2</sup>	43.8%
% of population living in multi-dimensional poverty <sup>2</sup>	40.7%
% GDP contribution of key sectors to the economic growth of the country	Agriculture: 15.1% Industry: 28.6% Services: 56.3%
Global Gender Gap Data for Bangladesh <sup>3</sup>	Rank: 64 Score: 0.704
Literacy rate (broken down by males/females) (UNESCO)	Overall: 61.50% Male: 64.6% Female: 58.5%
<b>Women's participation in the workforce (2010 data)<sup>5</sup></b>	
Self-employed	Male – 47.5% Female – 25.1%
Employer	Male – 0.2% Female – 0.2%
Employee	Male – 17% Female – 8.9%
Unpaid family helper	Male – 7.1% Female – 56.3%
Day Labourer	Male – 28.9% Female – 7.1%

# Key comparative statistics on economic and social factors shaping WEE and financial inclusion (2/3)

Key dynamics shaping women's empowerment and financial inclusion	Data
<b>Employment by sector and gender<sup>1</sup></b>	
Agriculture, forestry, and fishing	Male – 40.2% Female – 64.8%
Mining and quarrying	Male – 0.25% Female – 0.10%
Manufacturing	Male – 12.75% Female – 11.77%
Construction	Male – 6.30% Female – 1.40%
Trade, hotel and restaurant	Male – 17.24% Female – 6.34%
Transportation, storage & communication	Male – 9.87% Female – 1.51%
Finance & business services	Male – 0.83% Female – 0.32%
Administrative and support service	Male – 1.4% Female – 0.3%
Community, personal services & others	Male – 12.33% Female – 13.69%

**Agriculture, manufacturing and community and personal services** are the significant contributors of employment. Among major sectors, the female employment growth rate during 2006 to 2010 was 8.4% in agriculture, 9.6% in manufacturing, 12.0% in the community services and 23.4% in wholesale and retail trade annually. Growth of the labor force in manufacturing sector, agriculture and community services sector is higher for women compared to men.

However, as per World Economic Forum data, the **unemployment rate of women is also more than twice that of men**, at 7.2% (vs. 3% for men).<sup>2</sup>

# Key comparative statistics on economic and social factors shaping WEE and financial inclusion (3/3)



## Key dynamics shaping women's empowerment and financial inclusion

### Women and employment

Women's participation in formal wage labour is driven by manufacturing and services sectors. Within manufacturing, chemical and chemical product manufacturers employ majority of the women, followed by leather and furniture manufacturing ones. In the services sector, 12.1% of the firms that employed women are from the retail sector, 5% of which are majority owned by women.<sup>1</sup>

### Women and MSME

Businesses in Bangladesh are largely cottage, micro, small and medium enterprises (99.93% of >7.8 million businesses).<sup>2</sup> Of these businesses, only 7.21% are owned by women, and women make up 17% of all employees at these businesses.<sup>2</sup> Women owned SMEs are likely to be smaller than men's, more recently started, more likely to be informal and home-based compared to those owned by men<sup>2</sup>. MSMEs run by women are largely driven by microfinance lending. In 2015, the number of MFI clients in Bangladesh stood at 26.21 million, 23.78 million of whom were women. More than 90% of MFI clients and borrowers are female and half are MSME clients<sup>3</sup>

### Women and Agriculture<sup>4</sup>

Overall, women's employment in agricultural activities has almost doubled between 1990-2010 while employment in non-agricultural activities has halved over time. This trend is opposite for men, indicating that men increasingly move out of agriculture into non-agricultural activities.

### Women and Education

Bangladesh has achieved gender parity in access to primary education, and secondary school enrolment is actually higher for girls than boys (55% vs. 49%). However, the drop out rate for girls is 12% points higher for girls (46% vs. 34%).<sup>6</sup>

[1] World Bank: Enterprise Survey (2013) [2] Bangladesh Bureau of Statistics: Census (2013) [3] AFI: Expanding Women's Financial Inclusion in Bangladesh Through MSME Finance Policies (2017) [4] ILO: Labor Force Survey (2013) [5] World Bank, Gender Data Portal (2015 data) [6] Daily Star: [Dropout rate worrisome](#) (2016)

# Women more likely to access informal services; digital and financial literacy are key enablers (1/2)



CATEGORY	RESEARCH QUESTIONS	DESCRIPTION
<b>Financial Products &amp; Services<sup>1</sup></b>	What are women and men's access to and usage of savings products? What are common sources/methods of savings?	Women overall (25%) saved slightly more than men (22.7%), however saved at formal institutions less (8.3% men compared to 6.5% women)
	What are women and men's access to and use of credit? What are common sources/methods of borrowing?	Formal credit borrowing according to Findex 2014: 10% (male) vs. 9.8% (female); Informal credit bowing (borrowed any money in the past year): 50% (male) vs. 46.6% (female)
	What are women and men's access to and usage of payments and transfers	Payments and Transfers:
	<ul style="list-style-type: none"> <li>• Wages</li> <li>• Government transfers</li> <li>• Remittances (Sending and receiving)?</li> </ul>	<ul style="list-style-type: none"> <li>• Wages: 18.4% men received wages compared to 6.7% women, supporting the high participation of women in informal jobs</li> <li>• Government Transfers: Similar levels of G2P transfers among women (1.8%) and men (2%)</li> <li>• Remittances: 12.8% women received domestic remittance in past year compared to 15.4% male. Conversely, 6.9% women sent remittances compared to 13.7% men</li> </ul>
	Any others?	6% of women invest compared to 19% men
What are the positive/negative trends in access and usage of financial products and services?	Key trends are: <ul style="list-style-type: none"> <li>• Women's use of and registration of mobile money accounts seems to be rising</li> <li>• Women continue to receive little wages formally suggesting high degree of informal participation</li> <li>• Women are as likely or slightly more likely to save as compared to men</li> </ul>	

# Women more likely to access informal services; digital and financial literacy are key enablers (2/2)



CATEGORY	RESEARCH QUESTIONS	DESCRIPTION
<b>Constraints/ Enablers</b>	What levels of literacy (business skills, digital literacy, general literacy) do women and girls have and how do these compare to those of men and boys?	Literacy rates are 58% for women compared to 64% for men, 97% of men are financially literate compared to 89% of women, and 49% men are digitally literate compared to only 28% of women <sup>1</sup>
	What evidence exists on the levels of confidence women and girls have in accessing and using financial products and services?	Even after receiving trainings, women still exhibit low confidence to access and use financial products and services with some segment nuance; greater confidence has been recorded amongst women with 3-4 years of school, and after 3-6 months of training <sup>3</sup>
	How does risk-aversion manifest itself?	Lack of trust in products, particularly insurance, was a big barrier. Evidence of fraudulent experience with banking services and products <sup>4</sup>
	What are the key social norms and customary practices that affect women's and girls' financial inclusion? How do they manifest?	Social norms constraint women's role in society: 77.9% of urban men and 91.7% of rural men believe that a woman's most important role is to take care of her home and cook for her family <sup>5</sup>

[1] UNESCO: Database (2016) [2] Intermedia: Financial Inclusion Insights, Wave 3 data (2015) [3] CGAP: How hard is it to use mobile money as a rural Bangladeshi woman (2015) [4] Akter et al: Gender gap in agricultural insurance demand (2015) [5] Naved, et al: Men's Attitudes and Practices regarding Gender and Violence against women in Bangladesh: Preliminary Findings (2011)

# In addition, three key social norms emerge as key to the socio-cultural context of women's and girls' FI

	Child marriage	Safety & security	Police & legal structures
Problem	<p><b>52%</b> of women are married off before the legal age of 18, and abuse from husbands and in-laws is rampant against child brides<sup>1</sup></p>	<p><b>88%</b> women reported<sup>3</sup> sexual harassment from passers-by, male passengers in public transport and customers at shops.</p>	<p><b>95%</b> of women felt they could not approach police, while 65% felt that police would blame women rather than take action against perpetrators</p>
Implications	<p>Child birth, household duties, lack of income and domestic abuse post marriage lead to:</p> <ul style="list-style-type: none"> <li>• <b>Time poverty:</b> Women work 7.7 hours on domestic chores, with &gt;12 activities while men work only 2.5 hours with ~3 activities in Bangladesh</li> <li>• <b>Limited decision making control</b> in patriarchal households</li> <li>• <b>Shortened educational and economic lives</b></li> </ul>	<p>Safety and security concerns cause:</p> <ul style="list-style-type: none"> <li>• <b>Limited mobility:</b> 47.5% women in urban areas felt unsafe in public places like markets, streets; 41% experience sexual harassment in public transport</li> <li>• <b>Limited networks</b> beyond family and community</li> <li>• <b>Limited access</b> to economic and financial opportunities</li> <li>• <b>Dependence on male counterparts</b> for security and access to services</li> </ul>	<p>Weak, patriarchal legal structures and civic enforcement lead to:</p> <ul style="list-style-type: none"> <li>• <b>Persistent safety and security</b> concerns</li> <li>• <b>Lack of redressal</b> and continued perpetration of crimes against women</li> <li>• <b>Reinforcement of dependence</b> on male family members for security and access</li> <li>• <b>Lower levels of formal property and asset ownership</b></li> </ul>

**Significant opportunity exists to drive behaviour change and alleviate impact of social norms on women and girls**

[1] Human Rights Watch: Marry Before Your House is Swept Away: Child Marriage in Bangladesh (2015) [2] Centre for Policy Dialogue Bangladesh: Estimating Women's Contribution to the Economy the Case of Bangladesh (2014) [3] Daily Star: Patriarchal mindset, culture of impunity must go (2015); Dalberg KII interviews



## Desk Research Summary: Supply

# A range of financial service provider types exists in Bangladesh



## Overview of Bangladesh financial sector development<sup>1</sup>

### Formal Sector:

Following financial liberalization in the mid-1980s and privatization of the banking sector, a number of different bank types have emerged in the formal financial sector:

There are 57 scheduled banks in Bangladesh:

- 6 State Owned Commercial Banks (SOCBs), fully or majorly owned by the Government of Bangladesh.
- 2 Specialized Banks (SDBs), established for specific objectives like agricultural or industrial development, government owned
- 40 Private Commercial Banks (PCBs), majorly owned by the private entities. PCBs are further categorized into 32 standard PCBs and 8 Islamic bank
- 9 Foreign Commercial Banks (FCBs), which are incorporated abroad

### Semi-Formal Sector:

The semi-formal sector is sector is mainly represented by Specialized Financial Institutions like House Building Finance Corporation (HBFC), Palli Karma Sahayak Foundation (PKSF), Microfinance Institutions (MFIs) (e.g. Grameen Bank), non Governmental Organizations (NGOs). Around 10 large Microcredit Institutions (MFIs) and Grameen Bank represent 87% of total savings of the sector and 81% of total outstanding loan of the sector. Currently, 599 institutions (as of October 10 2011) have been licensed by Microcredit Regulatory Authority to operate Microcredit Programs.

1] Bangladesh Bank website (2017)

# The supply side landscape beyond MFIs reveals a fragmented interest in women as customers

Key supply-side providers		Product offerings for women	Delivery mechanisms	Financial capability training
Retail FSPs	Bank Asia	Agricultural loan offerings targeting 75% women; gov't social welfare transfers; pilots for RMG sector wage payments	Agent banking has launched in the last 3 years and allowed some providers to expand their outreach; male-dominated agent networks are a limiting factor, however; brick-and-mortar branches remain a challenge for more rural women	Financial literacy program with BRAC
	Dutch Bangla Bank	Some tailored banking products for women; pilots for RMG sector wage payments		N/A
	Shonali Bank	No tailored products		Tie up with local NGOs to provide business training
	Jamuna Bank	One tailored loan product for women entrepreneurs		N/A
	Rupali Bank	No tailored products		
Microfinance	ASA	Various products evolved to match women's needs and preferences	MFI branches even in rural, remote areas; use of loan officers often sourced from local communities who women typically trust	Financial literacy often bundled with products to help women understand product features
	Shakti Foundation			
	BRAC Bank			
	Grameen			
MM Providers	bKash	Products indirectly targeted at women given digital government education subsidies to mothers	Large network of agents from local community; agents are male dominated	Fragmented efforts; some financial support given to RMG sector workers to transition from cash wages
	Rocket (DBBL)			
	SureCash			
Insurance	Microensure	No tailored product; health product for women and life +health insurance product for children and their mothers in draft	Fragmented delivery by a large number of providers; comprehensive and cohesive regulation across offerings by various providers is limited	Weak efforts to build market-wide customer understanding and trust; efforts are largely limited to one-off initiatives
	Guardian Life Insurance	Tailored micro-insurance product for MFI clients, offered with BRAC		

[1] Non-exhaustive list of financial service providers. Shortlist based on combination of scale of outreach/interest in women's finance.

## Key themes from Key Informant Interviews<sup>1</sup>

[1] Please refer to full notes of key informant interviews for further details.

# Summary: High-level insights from Dalberg's 22 key informant interviews in Bangladesh (1/2)



Enabling environment	Supply-side
<ul style="list-style-type: none"> <li>• <b>Capacity to implement, monitor and enforce policies is a critical issue</b> limiting the extent to which they are actually effective in regulating the ecosystem and incentivizing the supply-side to be responsive to inclusive policies and build awareness on the demand-side of these provisions e.g. 15% of MSME refinancing allocated to women and women-only customer desks</li> <li>• <b>KYC regulations in particular are limiting women's on-the-ground access to financial services given a lack of clear tiers in KYC norms</b> that considers women's capacity to meet norms and lack of standardization of appropriately tiered norms across supply-side providers</li> </ul>	<ul style="list-style-type: none"> <li>• <b>A gap exists in the supply-side landscape</b> between what is on offer and accessible to women at microfinance level vs. products and services above this level</li> <li>• There is <b>poor awareness of the business case for serving women</b> and segments of women which drives biased mindsets and assumptions about women as customers</li> <li>• <b>Agent networks are male dominated but historically,</b> women's limited mobility had led to few women with registered businesses from which to recruit agents</li> <li>• In terms of products, <b>insurance is a massive gap in terms of tailored offerings</b> especially and offerings that are bundled with non-financial services to build awareness/trust in insurance providers</li> </ul>

*"There is no vision or roadmap for how to get from where we are today to where we need to get to."*

- Civil society organization

*"We don't see women on the streets. It's a simple reality we are living with..."*

- Civil society organization

Please refer to full notes of key informant interviews for further details.

# Summary: High-level insights from Dalberg's 22 key informant interviews in Bangladesh (2/2)



Demand-side	Social norms/cross-cutting
<ul style="list-style-type: none"> <li>• <b>ICT/digital literacy is a particular challenge for entrepreneurs</b> who need these skills to scale their business with access to the formal financial services</li> <li>• <b>Women have poor levels of awareness of financial products/services beyond microfinance and their continued dependence on MFI/NGOs</b> lead them to be stuck in not knowing anything else</li> <li>• <b>Women's incomes typically come from informal sources</b> (with exception of RMG sector); little economic opportunities lead women to drop out early</li> <li>• <b>Within the RMG sector there is little mentorship or support to encourage women to move up to management ranks</b> so women typically stay stuck in poorly paid, insecure jobs</li> <li>• <b>Adolescent girls</b> are an important group, given the prevalence of <b>child marriage</b> and security concerns</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Patriarchal social norms are deeply entrenched in mindsets</b> and will require large scale government-led awareness raising and grassroots engagement with men, boys and local communities</li> <li>• <b>These norms manifest in various ways</b> including control over income earned, control over usage of financial products and services and customary practices over inherited assets</li> <li>• <b>Women are also considerably less mobile due to these social norms</b> with implications for their visibility in public spaces on the streets to their representation in supply-side and enabling environment institutions</li> <li>• <b>Child marriage is a response to financial hardship</b> and in turn stunts further economic opportunities for adolescent girls</li> </ul>

*"Nobody really thought about what comes after microfinance."*

- Civil society organization

*"Dealing with intra-household social dynamics is still a gap, insofar as men are still taking 70% of all loans and deciding how they are spent"*

- Civil society organization

Please refer to full notes of key informant interviews for further details.

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## **Focus Group Discussions: Key themes and further detail per segment**

# Summary: High-level insights from UNCDF/Dalberg's five focus group discussions in Bangladesh (1/2)



In-school girls	Out-of-school girls	Garment sector workers
<ul style="list-style-type: none"> <li>• <b>Grade 8 is critical junction;</b> beyond it exam fees, and other educational costs become a significant financial burden</li> <li>• <b>Despite being 'in-school', many girls still experienced breaks in education</b> due to struggles to meet expenses</li> <li>• <b>Informal private coping mechanisms</b> (i.e. borrowing from peers and taking up of small jobs) are common to meet financial shortfalls</li> <li>• <b>Given education (vocational and academic), girls aspire to delay marriage</b> and use their acquired skills to attain decent jobs; marriage nevertheless remain an important event parents save for</li> </ul>	<ul style="list-style-type: none"> <li>• Following shocks in income and despite informal jobs by mothers, <b>dropping out of school is a response to financial hardship</b></li> <li>• <b>Girls often share household responsibilities with their mothers</b> e.g. caring for younger siblings;</li> <li>• <b>Marriage perceived as an event of considerable financial worry</b> in terms of wedding expenses <i>and</i> loss of support for younger siblings</li> <li>• <b>Future husbands are perceived as critical gatekeepers of change;</b> 'good husbands' could offer freedom and allow work opportunities; bad husbands would not</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Given personal experiences of hardship, workers have strong aspirations</b> for their daughters to lead different lives</li> <li>• <b>Workers rarely have opportunity (time and space) to collectively share ideas with each other</b></li> <li>• <b>Common use of moneylenders to plug shortfalls</b> in high liquidity needs in between wage intervals leads to a debt trap</li> <li>• <b>Strong preference to continue being paid in cash</b> because of minimum balances required for accounts as well as account maintenance costs that would eat into high liquidity needs/precious limited resources</li> </ul>

# Summary: High-level insights from UNCDF/Dalberg's five focus group discussions in Bangladesh (2/2)



MSME entrepreneurs	Rural farmers
<ul style="list-style-type: none"> <li>• <b>Entrepreneurs have used MFI loans for a number of years as well as linked savings accounts but struggle to access larger loans</b> to scale businesses; express feeling that increased loan requirements are not in line with loan amounts</li> <li>• <b>Mixed sentiments towards digital financial services;</b> some feel DFS slots into business models in terms of payments; others feel that cash is still king, and depend on their children to gain digital literacy skills</li> <li>• <b>Selection-bias insofar as these women are more mobile than garment workers</b> and thus have greater access to social networks and information</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Evidence of rural/urban split in shifting social norms;</b> education for daughters of farmer women is perceived simply as a means improving young girls' marriage prospects</li> <li>• <b>Common cycle of dependence on MFI/networks led to an 'information trap'</b> with little awareness of financial products outside of microfinance</li> <li>• <b>Some women are able to negotiate agency issues</b> better through more supportive husbands who allow them to spend agri-loans</li> <li>• <b>Awareness of deteriorating health due to physically strenuous work,</b> but deep mistrust of insurance products</li> </ul>

## In-school girls



*"When I was sitting for my 8<sup>th</sup> grade examination, my family couldn't pay the fees of 5500 Taka and I had to repeat my class. I even tried doing some tailoring on the side and saved around 1000 Taka but we still didn't have money and I had to leave school"*

16 year old Ruma's father drives a CNG, the local three wheeler in Dhaka , as and when his failing health allows him. Throughout childhood, **recurring financial hardship** was caused by rising health expenditure. She **dropped out of school** due to financial difficulties in paying school fees for 8<sup>th</sup> grade examinations. Her family's **volatile situation delayed her education** by over 3 years. Finally, with the help of a supportive uncle, she finally **get admitted into vocational training** and **aspires to work at an electronics repair job**. She wants to start earning to supplement her family's income as well as send her younger siblings to school. She is quite clear that she wants to **delay marriage till at least 25**, to become financially independent. She is worried that **marriage will be a big cause of financial worry** in the future. She is also concerned that in the future after marriage, she **may not be allowed to work** at a job. However, in that case, she **plans to start her own home business**, she is determined to not let her education go to waste.

*"I want to stand on my own two feet, marriage will hinder, not help us right now"*

# In-school girls are likely to have faced delays in education due to financial shocks; informal savings are common



## Financial products and strategies used:

- Awareness and some uptake of **school banking accounts; low minimum balance requirement drives uptake, some save as little as 15 Taka**
- **Use of informal money savings** through piggy banks, or with friends and family members common typically with money saved from household chores
- **Side businesses** such as tailoring common strategy to support families and save for emergencies
- Parents hold **fixed deposit savings** to meet marriage expenses
- Reliance on strategies around **self-dependence (job, home based business) in case of financial shocks**

## Key financial needs

- **Exam costs** especially around Grade 8 and other educational costs
- **Savings to meet financial crises**, in order to continue own and siblings' education
- Savings for **future expenses** such as marriage
- Family medical expenses

## Constraints

- **Expected loss of financial control over work/income post marriage**
- Education related decisions driven by support or lack thereof from family and community
- Lack of awareness and **lack of supportive touchpoint** (i.e, school teacher, family member) hinders use of school banking accounts
- **Eligibility for other bank accounts** (i.e, 18 is the specified age requirement for bank accounts)
- **Financial vulnerability** driven by volatile family expenses

# Out-of-school girls

*"In our society, supportive husbands can make all your dreams come true, give you freedom, let you have a job but bad husband and in-laws can put all sorts of restrictions on you, forget doing a job"*

Swapna **dropped out of school** in Class 4, at the age of ten when her father's accident left the family without an income. Her father's **accident and subsequent treatment consumed all the savings** the family had. Lack of proper treatment coupled with an inability to pay for medicines led to her father's death in less than a year, forcing her **mother to take up a job as a domestic helper** to make ends meet. Swapna **stayed at home**, sometimes helping her mother when she was ill and at other times, taking care of the home and her younger siblings. Even though her mother had been married early, she did not think she could get married before their finances improved. While she **aspired to continue her education someday**, especially to take a job and support her family, she knew **marriage was an eventuality**. She was worried that **marriage would be a significant cost** that her mother would find hard to meet, but it is considered a necessary expense given the social norms. She was also worried that **post-marriage, her siblings' education might suffer**. She acknowledges that her **future financial life would be determined by marriage** and in particular, her husband.

*"I want my younger siblings to be able to finish school, unlike me."*

# Out of school girls have dropped out due to financial shock; no financial products serve this segment



## Financial products and strategies used:

- Mothers/elder sisters often **took up jobs** in response to financial crisis; income not enough to cover school costs
- **Use of informal money lenders** to deal with financial shocks in the family (death, desertion, sudden illness, accident)
- **Financial solidarity** provided by family members and neighbours. Aware of **NGOs as an important safety net** to pay for financial exigencies at short notice; assistance in the form of one-time grants most common
- Dropping out of school due to inability to pay for even small school expenses (such as books, uniform, etc) given that school is free until secondary

## Key financial needs

- School fees of younger siblings
- Family **medical expenses**
- **Savings** for marriage and future household emergencies
- **Savings with mothers/family members** to keep savings for financial shocks such as death/flight of family member

## Constraints

- **Negative information flows from neighbours** hinder girls' mobility and ability to work outside their homes through social sanctioning
- **Not eligible to access finance formally due to age requirement and lack of national ID before 18**
- **Lack of any savings history within family;** income is irregular, small and gets used up immediately
- **Time poverty** from household work and childcare limiting time for girls to pursue any economic opportunity
- **Financial volatility** due to debts and dependence on single income
- **Strong social pressure** drive spending on marriage and social customs

# Garment workers



"I would like my daughter to not live the life I'm living. I will be very grateful to god if she can study."

Fatema works an average of **10 hours every day** at her garment factory making cotton sweaters. When she returns home in the evening she spends **3 hours on household chores** and looking after her 3 children. Her factory work is **exhausting**, she often does not have time for breaks, and she **regularly experiences verbal abuse** from her **male supervisor**. However, her husbands' earnings were insufficient for overall household needs so she had to take this job. She was **forced to marry at 15**, which led her to drop out of school. Her experiences of hardship have led her to be very vocal about her **aspirations for her children in terms of education and delayed marriage**. She lives in a **rented house in a nearby slum**, having **migrated from her village** outside Dhaka at the **age of 19**. She does not own a mobile phone, but has **access to her husband's**. She earns an average of **6000 taka per month**, more than half of which goes to her landlord for rent. She also has to make monthly 2000 taka loan repayments to her MFI, as well as a 500 taka deposit into a linked-savings account.

"I feel very depressed. I just want to escape the situation I am in. I feel like I often have no one to talk to discuss my hardships. I don't have the space and time to interact much with others."

# Garment factory workers struggle with rent payments; formal products not adapted to high liquidity needs



## Financial products and strategies used:

- **Financial solidarity and support** provided by some neighbours as well as fellow RMG workers in support for expenses
- **Use of informal money lenders** when monthly wages have been depleted
- Awareness of digital wage payments but **preference to continue being paid in cash**
- **Children have**, in some cases, **taught their mothers** how to pay for school fees at banks
- **Little use of savings products** due to inability to meet minimum balance requirements/withdrawal limits

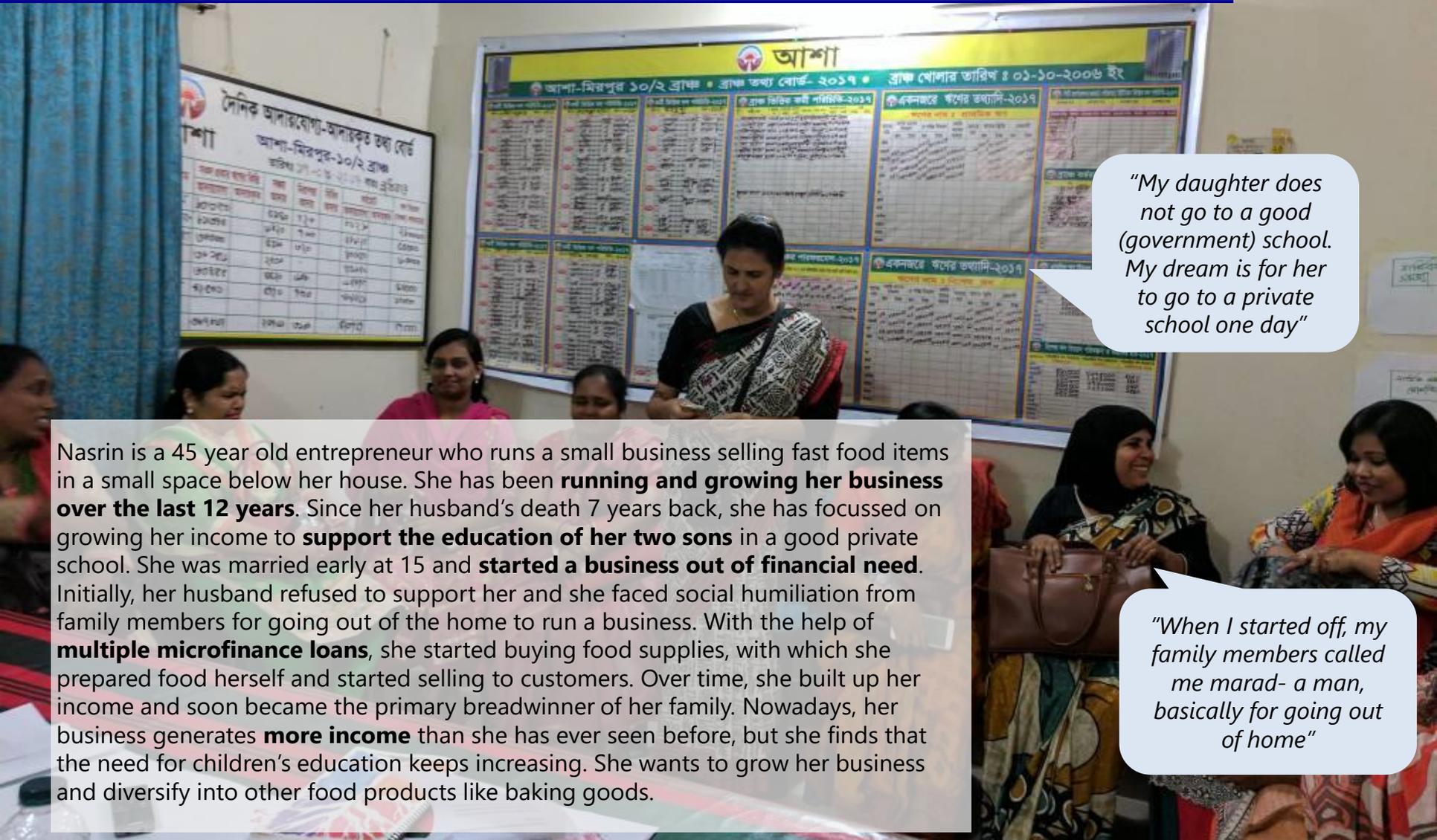
## Key financial needs

- **High liquidity needs** to pay for rent, education and healthcare expenses
- Liquidity to meet **repayments to MFIs** as well as informal money lenders

## Constraints

- **Debt traps** from repeated use of moneylenders
- **Bank service charges** and **minimum balance requirements** (500 taka each) drive preference for cash wage payments
- **Long working hours** limit time and mobility to access financial services
- **Job insecurity** (and thus **financial insecurity**) due to common practice of employment contracts being broken; **Weak social safety nets** offered by employers in terms of accident coverage
- **Lack of assets limited** any collateral-based credit
- **Often unpredictable cash flow needs** mismatched with rigid microfinance repayments schedules
- **Dilemmas faced** in terms of decisions on what to spend limited funds on e.g. children's education vs. husband's healthcare
- **Poor awareness of insurance** as well as low levels of trust

# MSME entrepreneurs



*“My daughter does not go to a good (government) school. My dream is for her to go to a private school one day”*

Nasrin is a 45 year old entrepreneur who runs a small business selling fast food items in a small space below her house. She has been **running and growing her business over the last 12 years**. Since her husband’s death 7 years back, she has focussed on growing her income to **support the education of her two sons** in a good private school. She was married early at 15 and **started a business out of financial need**. Initially, her husband refused to support her and she faced social humiliation from family members for going out of the home to run a business. With the help of **multiple microfinance loans**, she started buying food supplies, with which she prepared food herself and started selling to customers. Over time, she built up her income and soon became the primary breadwinner of her family. Nowadays, her business generates **more income** than she has ever seen before, but she finds that the need for children’s education keeps increasing. She wants to grow her business and diversify into other food products like baking goods.

*“When I started off, my family members called me marad- a man, basically for going out of home”*

# MSME entrepreneurs generally use multiple microfinance loans; retail MSME finance is an unmet need



## Financial products and strategies used:

- Use **multiple term microfinance loans and savings linked to loans** for different business expenses
- Operate **fixed deposit savings accounts** to meet financial emergencies in the future as well as for children's education
- **Use of informal money lenders** to meet seasonal business need for capital, typically ~2-3 L Taka
- Informally **save cash at home** to meet sudden expenses (<4000 Taka), depend on selling assets or help from neighbours for higher expenses
- **Mixed use of mobile money**, in some cases, mobile money is used to access suppliers remotely, children assist mothers with transactions

## Key financial needs

- **Seasonal loans** to increase production capacity to meet demand during peak seasons such as Ramadan
- Medium to big ticket loans for **enterprise finance to grow business**
- **Liquidity needs** for supplier networks
- Expenses for children's education

## Constraints:

- **Lack of trade licenses, tax documents and detailed business plans**
- **Bank statements** have little standing capital
- **Weak social and professional networks** to access salaried or asset-holding credible guarantors for loans
- **Lack of immovable assets** limits access to formal credit
- **Lack of capital post 50 years of age**, when they are no longer eligible for MFI loans
- **Dilemmas faced** in terms of meeting children's higher education aspirations, rising health expenses due to age etc.

# Rural farmers



*"I want my younger daughter to be educated so that she can be married into a financially secure home. Nowadays, boys want wives to know some education"*

*Kulsum's **family owns 3 bighas of land**, on which she produces paddy, jute and spices such as ginger and chillies. Her husband had deserted the family almost 15 years back, leaving her to be the **de-facto breadwinner**. The land continues to be in her husband's name. She has a 18 year old and 8 year old daughter. She **married off her first daughter at 16**, and **aspires get her younger daughter enough married** into a good house. She **manages the farm, hires labour** to work on her land in harvest season and at times, sells milk from cows and eggs from chicken she maintains on her homestead. Her farm's production partly goes towards the subsistence of her family, and she sells the remaining crop either in her local market or to middlemen. Sudden changes in crop prices, due to famine or natural disasters affect her the worst. She is **worried about meeting the dowry for her daughter's wedding**, as well as her own **failing health** and the expenses associated with it.*

*"I am worried about my own health and the cost of medicines. You know, farm work is hard work and I have a daughter to marry off still"*

# Rural women hold small parcels of land; remain stuck in a microfinance cycle



## Financial products and strategies used:

- **Use of mobile money accounts to access primary school education subsidies; Children have taught their mothers** how to operate accounts
- **Small loans from MFIs** as well as **subsidized farm inputs** (i.e, seeds and fertilizers) from **agricultural officers** to meet farm input expenses
- **Samitis/women's informal groups leveraged** to meet urgent needs
- **Agricultural land or produce mortgaged** for short periods for accessing immediate credit for crop failure or family emergency
- **Use of informal money lenders** in case of sudden expenses
- **Heavily dependent on local MFI** for financial products and information; local members accessible and available on phone all the time

## Key financial needs

- **Flexible agricultural loans** to meet crop input expenses, **crop insurance** to protect from crop failure
- Cash based **wage payments** to laborers
- **Health expenses**
- Children's **marriage and dowry expenses**

## Constraints

- **Need for male guarantors** from MFIs limit their access
- Long **processing time for MFI loans** (15-17 days), in some cases
- **Lack of actual land ownership** limits any collateral-based credit
- **Over dependence on MFI and NGO networks** leads to limited usage and information on financial products such as savings/ insurance as well as agricultural information, exist in **information trap**
- Strong patriarchal norms driving **prevalence of child marriage in** rural societies

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