

Participation of Women in the Economy Realized (PoWER) Strategy

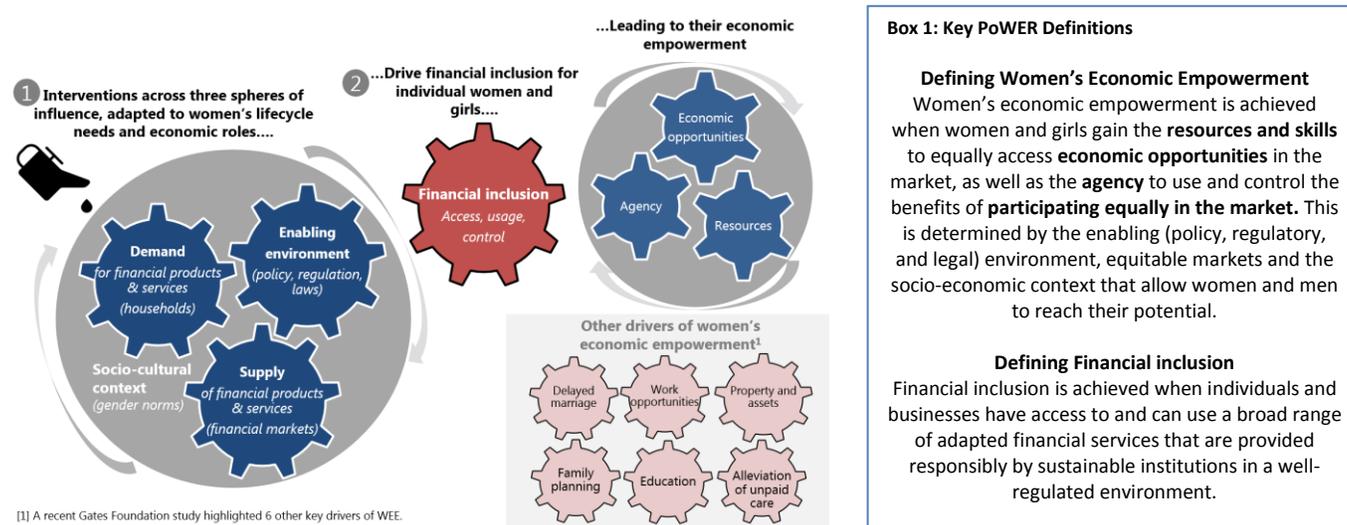
Women and Girls Financial Inclusion – The Scale of the Challenge

Women and girls face barriers in the enabling environment, in the supply of and in their demand for financial products and services, as well as in their socio-cultural contexts. Together these limit their access, usage and control over these products and services in ways that constrain their opportunities for further economic empowerment. Consequently, women remain disproportionately excluded from the formal financial system. More than one billion women are still excluded, and there is a 9% gender gap in account ownership across developing economies. While there has been overall progress on financial inclusion in recent years, this gender gap has remained unchanged since 2011 (Demirguc-Kunt et al., 2015). Even where women’s and men’s level of financial access is more equitable there are gender variations in usage patterns and in ways that affect women’s ability to participate economically. Furthermore, access and usage of financial services does not automatically confer women and girls control over the benefits of financial product and service use. For instance, supply-side barriers restrict the availability of gender-sensitive financial products and services. On the demand side, women and girls lack financial capabilities, confidence and voice. The legal, policy and regulatory environment tends to be gender-blind and at times discriminatory. In sum, the interaction of these supply-side, enabling environment and demand-side constraints underpinned by discriminatory social norms that restrict women’s and girls’ access to, usage of, and control over financial services, with implications for their economic empowerment. Overcoming these diverse constraints is critical, as financial inclusion is a key enabler of women’s and girl’s economic empowerment—a global development goal in itself and essential to achieving sustainable economic development and poverty alleviation. As such, **any strategy to accelerate women’s and girls’ financial inclusion will require a multi-stakeholder approach that addresses financial inclusion constraints and enablers and their interdependencies across the ecosystem.**

The PoWER Approach

The PoWER strategy is anchored in existing UNCDF programming, incorporating a more intentional and structured focus on **women and girls (aged 10 – 24)**. The PoWER strategy draws on an Economic Empowerment Framework (figure 1) that identifies three spheres of influence: **supply of financial services, demand for financial services, and enabling policy and regulatory environment** as well as the **cross-cutting socio-cultural context** affecting women’s and girls’ financial inclusion. The framework asserts that women’s financial needs are determined by their **life cycle stage** (e.g., transitions from school to work, marriage, building a family) and by their **economic roles**. UNCDF will focus on five economic segments: **in-school girls, out-of-school girls, employees, MSME owners and employers, and farmers**. Interventions to operationalize the PoWER strategy will address constraints related to each of the three spheres of influence and cross cutting socio-cultural context in the PoWER Economic Empowerment Framework.

Figure 1: PoWER Economic Empowerment Framework



Diagnosing the Constraints and Enablers for Women and Girls: The PoWER Country Assessment Toolkit

UNCDF has developed a **country assessment toolkit** to support the implementation of the PoWER strategy in different country contexts. The application of this mixed-methods approach combining qualitative and quantitative insights, supports the **identification of country specific constraints faced by women and girls, a scorecard on their relative severity, and a synthesis of findings to form country level recommendations for action.** The toolkit was developed as a public good with the support of the Bill & Melinda Gates Foundation and has been piloted in **Bangladesh, Ethiopia, Myanmar, Senegal and Tanzania.**

Figure 2: The PoWER Country Assessment Toolkit

Tool	Description	Source
 DESK RESEARCH	Secondary data capture tool to collect existing public information	Country level research and datasets by international/ local financial inclusion actors
 KEY INFORMANT INTERVIEWS	Semi-structured interview tool to validate and poke holes in desk research information	20 interviews with FSPs, governments, civil society and industry associations (20 targeted)
 HCD INSPIRED FOCUS GROUP DISCUSSION	Primary qualitative interview tool to elicit a conversation around needs, barriers and motivations	5 FGDs with women farmers, entrepreneurs, employees and adolescent girls (in and out-of-school)
 QUANTITATIVE SURVEY	Primary quantitative survey tool to quantify key indicators of constraints and enablers building off of existing Findex/Finscope/Financial Inclusion Insights questionnaires	Survey with 400 women and girls (rural/urban, married/unmarried, age)

Rural Farmer, Myanmar

Lay Thida and her husband suffered huge losses when a flood destroyed their crops. They were forced to borrow from a wealthy person in their village to support their family's basic needs. She is worried about illnesses occurring in the family – which could incur large expenses, and also inhibit their ability to earn money.



"Moneylenders do not treat us well. It is very difficult to repay them, and they send you to jail if you do not repay"

About the UNCDF PoWER Strategy

Participation of Women in the Economy Realized (PoWER) is a new global strategy on women's economic empowerment from the **United Nations Capital Development Fund (UNCDF)**, the UN's capital investment agency for the world's 47 least developed countries, to be implemented in collaboration with **UN Women**, the UN entity working for the empowerment of women. UNCDF developed the strategy with support from a Bill & Melinda Gates Foundation (BMGF) planning grant and with contributions from SIDA. The PoWER strategy is informed by UNCDF's strong foundation of successful programmes. It will build on previous and current UNCDF programmes that have explored better ways to financially include women and girls, leveraged over 100 million USD of existing and past programming towards this clear vision, and draw on its solid reputation in financial inclusion and performance in CGAP SmartAid assessment of donors in financial inclusion.

UNCDF's strategic goal for PoWER Implementation 2018-2022 is that by 2022, nearly three million women and girls, in ten countries, starting with the five LDCs of Bangladesh, Ethiopia, Myanmar, Senegal, Tanzania, will have improved access to, use of and control over financial products and services responsibly provided by diverse and sustainable service providers in a well-regulated environment. In addition, the enabling environment and the socio-cultural context for greater access and agency for women and girls will be improved in these countries. This outcome is intended to contribute to more inclusive financial markets that drive women's and girls' economic empowerment and participation.

The objectives of the PoWER strategy are to:

- **Promote gender sensitive financial products and services and supporting non-financial services** through innovation funding, capacity building, convening, advocacy, and research to incentivize collection and use of sex-disaggregated data by FSPs; develop and raise awareness of the context-specific business cases; develop gender-sensitive financial products, services and delivery channels; and provide minimum critical non-financial services to address agency constraints.
- **Advance a gender-sensitive enabling legal, policy and regulatory environment for financial inclusion** through: advocacy, convening and capacity building to address barriers and facilitate reforms; and incentivise the collection and use of sex-disaggregated data by financial inclusion regulators and policymakers.
- **Enhance women's and girls' capabilities, voice and demand for finance and control over the benefits from the use of financial services** through advocacy, convening, capacity building and research and by fostering innovative new partnerships for non-financial service delivery to account for their lower capabilities and confidence; strengthening and partnering with women's organizations and civil society organizations to address agency issues relating to women's and girls' capabilities, asset ownership, time and mobility; and understanding the barriers women and girls currently face in accessing, using and having control over financial products and services.

UNCDF will operationalise the strategy in line with five **intervention functions**, namely **capacity building, innovation funding, convening, advocacy, and research.**

Further Information: To find out more about how to support the PoWER strategy or get involved, contact Beth Porter, Policy Advisor, Financial Inclusion, at Beth.Porter@uncdf.org or: Tel: (+1) 212 906-5597