



# UNITED NATIONS CAPITAL DEVELOPMENT FUND

## Financial Services Access and Agency for Women and Girls

Bangladesh Country Assessment Workshop

November 13, 2017

Bangabandhu International Conference Centre, Dhaka



## Background

To build on UNCDF Bangladesh's commitment to and ongoing work on women's financial inclusion and economic empowerment, UNCDF held a workshop on 13 November 2017 at the Bangabandhu International Conference Centre to share the data and insights from a Bangladesh country assessment on the access and agency of women and girls to financial services contributing to their economic empowerment (see agenda in Annex 1). Over 50 participants representing government (Central Bank, Ministry of Finance etc.), private sector financial services providers (banks, mobile network operators, digital financial service providers, microfinance institutions, etc.), civil society organizations (women's associations, training organizations), development partners (NGOs, UN agencies, bilateral aid agencies, foreign affairs/diplomatic missions) participated (see list of participants in Annex 2).

United Nations Capital Development Fund (UNCDF) has developed a global strategy on women's economic empowerment, the **Participation of Women in the Economy Realized (PoWER)** and a comprehensive country assessment toolkit to support the implementation of the strategy, with the support of Dalberg Global Development Advisors and supported by the Bill & Melinda Gates Foundation as part of a planning grant. Bangladesh was one of five countries—along with Myanmar, Ethiopia, Senegal, and Tanzania—where the new UNCDF toolkit to assess the country context for women's access and usage of and control of benefits from financial services was piloted.

The aim of this workshop was to share and validate the Bangladesh country assessment findings and insights on the key constraints and enablers of women and girls' access, usage and control of finance across the supply, demand and the enabling environment spheres. In addition, participants were invited to consider the key recommendations emanating from the assessment and to discuss complementarities with other activities underway and potential partnerships to translate the insights from the country assessment into reality. Based on the results of the Bangladesh country assessment and with the additional inputs from workshop participants and supplementary consultations with relevant external stakeholders and potential partners, an implementation plan for Bangladesh is being developed that includes convening, research, advocacy, capacity building and innovation funding to address the priority constraints and build on the enablers to enhance women's economic empowerment in Bangladesh.

## Opening remarks

Mr. Rajeev Kumar Gupta, Programme Manager, SHIFT SAARC & SHIFT ASEAN at UNCDF delivered the opening address, noting the significant role that women play in driving growth and prosperity at both the individual and macro levels. After having thanked participants and those supporting UNCDF's work in Bangladesh, Mr. Rajeev invited everyone to join in UNCDF's effort to advance women's economic empowerment by sharing their comments, ideas and proposals.

Mr. Henri Dommel, Director of Financial Inclusion Practice Area at UNCDF, introduced the global PoWER strategy, objectives and outline of the country assessment workshop. He thanked the participants for joining the workshop supporting UNCDF in analysing the findings and recommendations that will lead to a programme design for Bangladesh, as well contributing to programmes in Ethiopia, Myanmar, Senegal and Tanzania. He noted that increasing economic engagement of women is a core priority of the Seventh Five Year Plan (2016-2020) of Bangladesh government and Global PoWER Strategic Goal (2018-2022) will contribute to the country agenda through facilitating more inclusive financial markets that drive women's and girl's economic empowerment and participation.

Mr. Dommel in his presentation explained that the PoWER strategy is based on a recognition that we must not only look at access and usage of financial services but also at agency issues. Moreover, it is critical to understand and address key constraints and enablers of women's and girls' access to, usage of and agency over financial services over three spheres: i) demand; ii) supply; and iii) the enabling environment, and to understand the impact of gendered socio-cultural context that cuts across all three. Interventions across these three spheres will contribute to expanding the financial inclusion of women and girls that ultimately drives their economic empowerment and participation.

In the PoWER empowerment framework, women and girls are looked at from two different perspectives to help us better understand their opportunities and constraints in order to consider approaches and interventions that can contribute to their greater economic empowerment. These include a life cycle analysis and considering their different economic roles. In terms of life cycle transitions, depending on country contexts, these stages may happen at different ages and each of these transitional life stages raises distinct financial needs and therefore require specific

products and services in the context of a gender-sensitive enabling legal, policy and regulatory environment, and that addresses women’s capabilities, voice and demand for finance, and control of benefits of financial service use. And while financial inclusion is a critical driver of women’s economic empowerment—and the one that UNCDF is best placed to address—there are other drivers, such as education, delayed marriage, family planning, alleviation of unpaid care, work opportunities, property and assets, etc. that need to be addressed if women’s economic empowerment is to be achieved.

Mr. Dommel highlighted that one of the findings that will be reflected on in Bangladesh is the increasing divide in terms of access with digital financial service revolution where it seems that there is an increasing gender gap in terms of access and usage. He concluded with the outline of PoWER interventions, which has started with this research, the next stages will involve activities around capacity building, advocacy and innovation funding leading to improved awareness of, access to, use of and control over financial products and services responsibly provided by diverse and sustainable service providers in a well-regulated environment for nearly **three million women and girls, in ten countries**, starting with the five LDCs by 2022.

S.K Sur Chowdhury, Deputy Governor of Bangladesh Bank acknowledged the utmost importance of promoting financial inclusion for the female population of Bangladesh. He insisted that to achieve women empowerment, opportunities must be created for women to make them self-reliant and financially independent. Women and girls’ capabilities, voice and demand for finance and control over the benefits from use of financial services must be enhanced through advocacy, convening, capacity building and research. Referring to the initiatives undertaken by the central bank for promoting women led SMEs and relevant access to finance programmes, Mr. Chowdhury acknowledged that financial inclusion can only be achieved only when the majority of female population of Bangladesh have access to, agency over, and can effectively use a broad range of services that are provided responsibly, at a reasonable cost by sustainable institutions.

### **Presentation of Country Assessment Findings**

Mr. Kiran Willmot, Consultant at Dalberg Global Development Advisors, presented the Bangladesh Country Assessment findings. In the Financial Inclusion Snapshot of Bangladesh, he noted that Bangladesh has been making progress in terms of financial inclusion. However, the gender gap has increased from 3% to 10% between men and women given the unequal growth in mobile usage which is leaving women behind. This persisting gap is affecting both greater financial inclusion and women’s economic empowerment limiting their agency, control over resources and enhancement of economic opportunities. He emphasised that less than half of women (43%) participate in the labor force compared to more than 80% of men. Moreover, women led businesses are small, largely concentrated in the handicrafts sector and only 13% of firms have any female ownership. Current dynamics of the labour force participation, sector composition and percentage of women’s business ownership suggest that women led enterprises offer good potential for financial services providers (FSPs) to cultivate.

The importance of considering women and girls not as homogeneous group, but recognizing their specific economic roles and financial needs across different lifecycle stages was highlighted. PoWER identified five clear economic roles: i) in-school girls; ii) out of school girls; iii) employees; iv) MSME entrepreneurs; and v) farmers. Women and girls in each of these roles simultaneously face different financial challenges at various stages in their lifecycle. In Bangladesh, the key stages and/or transitions identified were: i) school transitions; ii) marriage; iii) being employed; and iv) building a family. Consequently, adaptive financial services are needed to ensure that the needs of women and girls in their different economic roles and at their different stages in their lifecycle are addressed.

Key barriers that prevent women and girls from being included in the formal financial sector were discussed. In terms of access points, women are disadvantaged compared to men in their access to retail banking and mobile financial services. Meanwhile, growth in mobile money has helped to leapfrog challenges of formal bank branch access. The accessibility of mobile money agents presents significant opportunities for women, particularly who are poor and less mobile. Despite the opportunities of mobile money for financial inclusion, women are not equally benefitting. Digital financial access is also limited by women’s lower mobile phone ownership which varies by segment (i.e. married, widowed, separated, unmarried/single etc.). Also poor digital literacy and lack of confidence are impeding growth in women’s digital financial inclusion. Women’s digital and agent banking access are constrained by security concerns due to 99% male agent networks as reported in various research was also mentioned.

Stringent documentation requirements of formal FSPs constitute a serious barrier, particularly for access to credit. Banks, for example, require applicants to provide trade licences, multiple guarantors, business and bank statements which are particularly challenging for female entrepreneurs given the informality of their business. In addition, banks

provide loans only if backed by collateral - a major access barrier since women are less likely to hold land titles under their name. By contrast MFI requirements are less stringent, for example, by accepting alternative IDs to national ID cards and thus their practices can inform the kind of tiered KYC regimes other financial service providers could consider.

In terms of product usage, women principally save and borrow to manage daily household expenses, implying high liquidity needs, the survey findings suggest there are opportunities of scaling up commitment based savings products, deepening health insurance coverage and promoting savings for health. Preferences reflected in the survey suggest women utilise informal savings channels like friends, neighbors, family members etc. as major sources for borrowing. MFIs are the major sources of formal saving and borrowing among rural women. Emergency needs are covered by friends and family, insurance penetration has been reported low due to poor awareness about available products. Also products are ill adapted as FSPs have weak culture of utilising sex-aggregated data for product design. FSPs are not typically aware of women as a viable customer segment beyond microfinance which also limits their capacity for offering appropriate products and services.

In regard to financial inclusion and agency issues, the assessment found that when products are used, control is often shared, with implications for women's self-confidence. 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. Future husbands are perceived as critical gatekeepers of agency for adolescent girls, as found in the study.

### **Question and Answer Discussion Session**

Number of ideas and questions were raised following the presentation. Participants discussed how to promote access, agency and market opportunities for specific segments of women and girls to overcome existing financial inclusion barriers. Good practices in implementing, monitoring and enforcing policy and regulatory reforms and particular actions, events and initiatives that have enabled women and girls to overcome barriers to financial inclusion were discussed.

It was identified that Bangladesh has a low representation of women in agent networks. 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. They have less access to economic opportunities and have less access to vertical support networks. Building capacities and offering 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 could address some of these challenges.

Financial literacy of women is weaker than that of men across all levels. Digital literacy is a significant challenge for certain segments with some women expressing low confidence in capabilities even after interventions/trainings. It was suggested that financial literacy should be included in the formal school curriculum. KYC norms are especially burdensome for women to avail formal financial products especially loans, compared to commercial banks microfinance institutions are more flexible in this regard. 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.

Piloting innovative partnerships between MFIs and commercial banks have been recommended to support women led MSME growth. Importance of experimenting tiered KYC requirements that recognize the informality of women's businesses was highlighted in the discussion. Questions were raised on how best to reach the inaccessible groups such as household help. Both private and public sector respondents agreed that role of enabling policy and flexible attitude of FSPs for testing innovations would be key in reaching out the currently unbanked women in the country.

### Interactive Activity #1: Prioritisation of Constraints

In order to prioritize the importance of the constraints identified in the country assessment report, workshop participants were given nine stickers (‘votes’) each and asked to identify the three top constraints to women’s financial access they thought were most severe across the three spheres of enabling environment, supply, and demand. The most severe constraints for each sphere are presented in the following tables.



DEMAND	
<b>Financial and digital literacy</b> are limited	Financial literacy of women is weaker than that of men across all levels. Digital literacy is a significant challenge for certain segments with some women expressing low confidence in capabilities even after interventions/trainings.
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. 60% of female labour (compared to 10% of male labour) work as unpaid family workers. Time poverty resulting from long working hours and family responsibilities hinders the opportunities for women to access financial institutions.
<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.

SUPPLY	
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.
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, with security implications for women concerned about sharing personal details at such financial touch points. 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.
<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.

ENABLING ENVIRONMENT	
There is no <b>gender strategy</b> or the gender strategy does not mention financial inclusion	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.
<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. 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).
<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. National ID requirements for mobile money and bank accounts are a secondary constraint.

## Interactive Activity #2: Prioritisation and Discussion of Identified Recommendations

Building on the key constraints identified for each of the three spheres, workshop facilitator explained that UNCDF developed a number of recommendations to address each of these constraints. Participants were divided in eight (08) groups and asked to reflect on the recommended actions—and complement or add to them as needed, and prioritize the proposed recommendations. One participant from each group was then invited to present the results of the discussions to the audience. The main findings of the plenary discussion are listed below:



### DEMAND SIDE

Prioritized recommendations:

- 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.
- 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.

To enhance demand side capacities, introducing financial literacy in the formal education curriculum has been also recommended by the participants.

### SUPPLY SIDE

Prioritized recommendations:

- 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.
- 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.
- 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.

In addition to widening availability of financial products and services for women, they should be bundled with non-financial services through promotion of digital literacy, capacity building training etc. as insisted by the participants.

### ENABLING ENVIRONMENT

Prioritized recommendations:

- 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.
- 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.
- 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.

Participants also emphasised enhancing representation of women in policy and decision making positions of both public sector regulators and private sector FSPs. Recommendations for promoting more competition in the digital financial services domain through policy reforms were highlighted so the sector can offer diverse products and services catering to women’s needs.

### **Closing and Next Steps**

In closing, the valuable work that all the participants are putting in every day in moving toward solving these issues, and improving women’s access to and agency over financial services in Bangladesh was acknowledged. Furthermore, participants were thanked for their feedback on the country assessment and their contributions to the design of the UNCDF strategy in Bangladesh and invited to engage further in partnering with UNCDF to advance the economic empowerment of women and girls in Bangladesh through financial inclusion.

The full Bangladesh Country Assessment Report will be available upon request to UNCDF, as well as the country assessment toolkit that served as the basis for the Bangladesh country assessment.

UNCDF invites all the participants to engage in ongoing discussions and partnerships to work together on the issues identified – and incorporate feedback into its strategy. UNCDF welcomes any input and ideas participants wish to share.

UNCDF is the UN’s capital investment agency for the world’s 47 least developed countries. With its capital mandate and instruments, UNCDF offers “last mile” finance models that unlock public and private resources, especially at the domestic level, to reduce poverty and support local economic development. UNCDF’s financing models work through two channels: financial inclusion that expands the opportunities for individuals, households, and small businesses to participate in the local economy, providing them with the tools they need to climb out of poverty and manage their financial lives; and by showing how localized investments — through fiscal decentralization, innovative municipal finance, and structured project finance — can drive public and private funding that underpins local economic expansion and sustainable development.

**For more information, visit our website: [www.uncdf.org/bangladesh](http://www.uncdf.org/bangladesh) or contact UNCDF’s Bangladesh Country Coordinator Md. Ashraful Alam at [ashraful.alam@uncdf.org](mailto:ashraful.alam@uncdf.org)**

## Annex 1- Agenda

9.00 am	<b>Registration</b>
9.30 am	<b>Welcome and overview</b> Rajeev Kumar Gupta, Programme Manager, SHIFT SAARC & SHIFT ASEAN
9.40 am	<b>Introduction to the UNCDF PoWER Strategy</b> Henri Dommel, Director Inclusive Finance UNCDF
10.00 am	<b>Speech from Chief Guest</b> S. K. Sur Chowdhury, Deputy Governor, Bangladesh Bank
10.15 am	<b>Country Assessment findings followed by Q&amp;A</b> Kiran Willmot, Dalberg Global Advisors
11.15 am	<b>Coffee Break</b>
11.30 am	<b>Prioritisation of constraints to women's and girls' financial inclusion</b>
11.50 pm	<b>Discussions on prioritizing UNCDF recommendations to address each of the identified constraints</b>
12.10 pm	<b>Plenary feedback on the results of subgroup discussions</b>
12.45 pm	<b>Closing remarks</b> Henri Dommel, Director Inclusive Finance UNCDF
13.00 pm	<b>Lunch</b>

## Annex 2- List of Participants

Organization	Participants
Bangladesh Bank	S. K. Sur Chowdhury, Deputy Governor Shaikh Md. Salim, General Manager, SME & Special Programmes Dept. Anjuman Ara Begum, Deputy General Manager, SME & Special Programmes Dept. Rojina Akter Mostafi, Joint Director, SME & Special Programmes Dept.
Dalberg Global Development Advisors	Kiran Willmot
ACDI (Agricultural Cooperative Development International)/VOCA (Volunteers in Overseas Cooperative Assistance)	Delwara Khanom
Daffodil International University	Sabiha Matin Bipasha
Betterstories Ltd.	Minhaz Anwar
TMSS	Md. Sorhab Ali Khan Faruq Faisal
Awaj Foundation	Md. Mamunur Rashid
Sure Cash	M. Zahirul Islam
FHi360	Tasnuba Sinha
UCEP- Bangladesh	Surya Akter
SANEM	Md. Nazmul Hossain Avi Fayeza Ashraf
DFS	Md. Aatur Rahman
Federation of Bangladesh Chamber of Commerce and Industry (FBCCI)	Ifrat Ara Bagom
Grameenphone	Sayeda Salwa Bakht Sayma Rahman
ROCKET	Mahmud Hassan
Institute for Inclusive Finance and Development (InM)	Farah Muneer
Mobility ITAP Pay	Md. Ariful Mazid
JICA Bangladesh	Tomoyuki Ota
Dnet	Zaki Haider Md. Farhan Shahriar
Women in Digital	Achia Khaleda Nila
Frontier Technology Ltd.	Humaira Chowdhury
SME foundation	Farzana Khan
BookmyLook	Armin Z Khan
ESC, University of Dhaka	Abdullah-Al-Mahmood Sakif Nuzaira Binte Neaz
BURO Bangladesh	Farmina Hossain
Modhumoti Bank Ltd.	Moklesur Rahman
BRAC	Shaoli Hassan
RDF Payment Tech Ltd.	Dr. Md. Mahbub Alam
PRISM project	Ali Sabet
Centre for Development and Competitive Strategies Ltd,	Sayeda Farzana Morshed
Bank Asia Ltd.	Humaira Azam
iSocial	Zaki Anan

BFP-B	Tanzila Tajreen
Rene' Bangladesh	Sanjana Zaman
CSR Centre	Laila Nur Shemonto Saki Kazi
SHAKTI Foundation	Imran Ahmed
Swisscontact	Md. Obaidur Rahman
IITM	Ziaur Rahman
IDEA Project, ECS	Md. Elias Bhuiyan
BRAC Back Limited	Nazmur Rahim
Economic Relations Division, Ministry of Finance	Naima Begum