

27 Apr 2020

Eight lessons on making digital financial inclusion work for women in MENA



Chloe Gueguen



Julia Hakspiel



Sabal Majali

All blogs

Tackling the financial inclusion gender gap to improve women's financial independence and employment prospects.

Despite progress over the past few years, the Middle East and North Africa (MENA) region still has the largest gender gap in terms of women's economic participation in the world. This economic divide also holds true when it comes to financial inclusion - only 35 per cent of women have a financial account compared to 52 per cent for men ([Global Findex](#)) This financial inclusion gender gap not only impacts women's financial independence and ability to manage their financial resources but also their employment prospects and business growth.

While the challenges are significant, so are the opportunities. Governments across the region are adopting financial inclusion strategies that aim to improve women's access to finance and associated financial services. Innovative Digital Financial Services (DFS) have significant potential to accelerate this process by enabling low-income women to access financial services through non-traditional channels. However, this is not a given. It requires a deliberate approach to ensure that emerging digital finance ecosystems in the region evolve to include women, rather than leave them behind.

In AWEF's latest [Practitioner Learning Brief](#), we explore these opportunities and challenges by showcasing 14 Case Studies* and presenting a number of lessons on how to design and implement interventions that can pave the way for women's digital financial empowerment across the MENA region and more widely. These lessons draw directly on AWEF's experience of working with DFS service providers in Jordan and Egypt. The Brief aims to encourage others to test and scale innovative approaches to make digital finance work better for women's empowerment.

Lesson 1: Start by building a holistic understanding of women's needs and preferences as users of DFS

For Digital Financial Services to be truly inclusive, they first need to be designed with women at the centre. This requires a multi-faceted approach based on a solid understanding of women's aspirations, daily habits and the life challenges they face, as well as their financial and non-financial needs and attitudes toward technology.

The approach should be based on an understanding of women's multiple roles (as individuals, mothers, entrepreneurs, wives etc.) and the actors that influence them (their husband, children, parents, religious or community leaders, etc.), especially in contexts with deeply entrenched gender norms.

In Egypt, AWEF carried out a Market Assessment that enabled us to identify factors limiting financial inclusion and key DFS actors with potential to change how digital financial systems worked for women.

Lesson 2: Make DFS accessible by building inclusive distribution networks

Agents generally represent the primary and most tangible touchpoints for most DFS customers. They market and sell products and provide support and guidance on how to use products and services. However, in MENA, most e-payment agents are male, and women sometimes report feeling uncomfortable interacting with them due to prevailing norms regarding male-female interactions outside the home. AWEF has consequently worked with [Fawry](#) in Egypt and [Dinarak](#) in Jordan, two leading Payment Service Providers (PSP), to pilot the first female agent e-payment networks in the North Africa and Levant region. The use of female agents has helped to build awareness of and trust in DFS services, enabling Dinarak and Fawry to reach and retain new female customers.

Lesson 3: Integrate Non-Financial Services into DFS delivery

One of the most common reasons for women not using DFS is the lack of knowledge and understanding of how these services function and the benefits of using them. In

particular MENA DFS is still new and trust and lack of awareness of such services limits uptake by women. Integrating digital literacy training into the deployment of a DFS solution means a greater chance of success.

In Egypt, AWEF is working with Tasaheel, a leading Microfinance Institution, to deliver digital literacy training to female-owned micro-businesses. In Lebanon, BLC Bank worked with the IFC's Banking on Women Program to digitally deliver Non-Financial Services (training, information, networking or coaching services) via its [WE online platform](#).

Lesson 4: Build upon what women trust and digitise traditional finance models to scale-up impact

While Savings Groups are less prevalent in North Africa and the Levant than in Sub-Saharan Africa, the share of adults in the region using informal savings clubs has been increasing. In MENA, Fintech firms such as CIWA in Morocco, are innovating to digitise Savings Groups' records, increase security and transparency, bring more flexibility, reduce time spent at meetings and provide members with a credit history that can help them access formal financial services. There is significant scope to extend use of DFS savings products across the region, building trust and awareness.

Lesson 5: Encourage the development of a solid DFS ecosystem that offers products and services that women want and need

To make DFS attractive to women, DFS providers need to move beyond the provision of basic airtime top-ups and offer life-enhancing products and services that add value to women's everyday lives. Women need to be able to charge their digital accounts and convert money back to cash when needed. They need products that help them transact payments, encourage savings and access social welfare benefits or wages. Use of DFS for payroll or social payments can be effective ways of introducing DFS to new users as shown in the Nafaqa and BSR's HerFinance case studies presented in our [Brief](#).

Lesson 6: Expand access to universal digital identities to help low-income women build their credit history across borders

MENA currently hosts 35 million migrant workers, 31 per cent of whom are female ([UNDESA 2019](#)), and the largest number of refugees globally ([IOM 2020](#)). Historically, financial institutions have found it difficult to serve these mobile populations who tend to have limited identity and financial records. Solutions building digital identities, such as the Hawiyati platform developed by Making Cents International, have the potential to bridge this identification gap. Such solutions

provide migrant women with an entry point to build their credit history, making it easier for them to access future personal or business loans.

Lesson 7: Leverage e-commerce and female consumers' appetite for social media

The global spread of social media coupled with the rapid growth of e-commerce in MENA are giving rise to new models where content sharing, social interactions and e-payments converge. In Egypt, **AWEF partnered with Paymob**, a leading Fintech firm, to implement a marketing campaign “#AcceptTheChange” over Facebook and Instagram. Female entrepreneurs are now able to receive e-payments while marketing their products through these new digital marketplaces.

Lesson 8: Invest in sex-disaggregated data analysis to monitor progress and build the DFS for Women Business Case

Without sex-disaggregated data, DFS providers across MENA are unlikely to fully appreciate the latent commercial potential from expanding services to women. Simultaneously governments don't have data to assess the effectiveness of their financial inclusion strategies. Sex-disaggregated data will enable governments and the private sector to more consciously shape the development of inclusive DFS ecosystems. There are some encouraging developments, as regulators such as Bank Al-Maghrib in Morocco move to address this data gap by mandating Payment Companies to report on gender.

These lessons suggest there are several actions that can readily be taken by governments and the private sector in MENA to catalyse the development of inclusive DFS ecosystems that respond to the needs of women, while allowing them to benefit from, and contribute to, the digital economy.

**The case studies featured in the Brief include institutions across the region, such as Fawry, Raseedy/Tasaheel, Paymob, BSR's HerFinance, BLC Bank of Lebanon, JOPACC, Dinarak, the Women's World Banking, CIWA Morocco, MakingCents, Kalys Tunisia, IFC Morocco and Bank Al Maghrib.*

This blog was first published on the **SEEP Network**