

FRAMEWORK FOR ADVANCING WOMEN'S FINANCIAL INCLUSION IN NIGERIA





This framework provides the blueprint for driving sustainable access to and usage of financial services by women in Nigeria'

Acknowledgment

The Central Bank of Nigeria wishes to express its appreciations to all stakeholders for their time and commitment throughout the development of this Framework.

Our gratitude especially extends to over 50 stakeholder institutions in the financial inclusion landscape who contributed by providing input during the conceptualization and finalization of the document.

FINANCIAL INCLUSION SPECIAL INTERVENTIONS WORKING GROUP

Financial Inclusion Special Interventions Working Group (FISIWG)

FISIWG is tasked with the responsibility of improving access to finance for vulnerable segments of the Nigerian population (Women, Youth and Persons with Disabilities). The working group provided the initial input into the development of the document and shall play a huge role in its implementation.



Enhancing Financial Innovation and Access (EFInA)

EFInA is a financial sector development organization that promotes financial inclusion in Nigeria. They remain a critical partner in the implementation of the National Financial Inclusion Strategy and provided critical support to the development of the framework on Advancing Women's Financial Inclusion in Nigeria.

Women's World Banking (WWB)

WWB designs and invests in the market-driven financial solutions, institutions, and policy environments in emerging markets to create greater economic stability and prosperity for women, their families and their communities. They provided technical support in the development of the framework.



WOMEN'S WORLD BANKING



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Glossary

AFI	Alliance for Financial Inclusion
BVN	Bank Verification Number
CBN	Central Bank of Nigeria
DFS	Digital Financial Services
EFInA	Enhancing Financial Innovation and Access
FIS	Financial Inclusion Secretariat
FSP	Financial Services Provider
G2P	Government to Person
GEEP	Government Enterprise and Empowerment Program
GSMA	Groupe Spécial Mobile Association
IMF	International Monetary Fund
KYC	Know Your Customer
MSME	Micro, Small, and Medium Enterprise
NIN	National Identity Number
PSP	Payment Service Provider
P2G	Person to Government
SANEF	Shared Agent Network Expansion Facility
SME	Small and Medium Enterprises



1 Introduction

In March 2018, the National Financial Inclusion Special Intervention Working Group (a working group under the National Financial Inclusion Governance structure) constituted a subcommittee to look into gender-related financial inclusion issues and propose recommendations for addressing the high exclusion rates among women in Nigeria. One key recommendation of the subcommittee was to develop a comprehensive framework that provides a guide and blueprint for women's financial inclusion.

This Framework is the outcome of the gender subcommittee's work and follow-up work by the Central Bank of Nigeria (CBN) and Enhancing Financial Innovation and Access (EFInA). It builds upon the *National Financial Inclusion Strategy (Revised)* (October 2018), and integrates valuable insights from the *Assessment of Women's Financial Inclusion in Nigeria* (December 2019). This Framework takes as an additional reference point Nigeria's *Sustainable Banking Principles*, which promote women's economic empowerment through a gender inclusive workplace culture in business operations and seek to provide products and services designed specifically for women. Alongside these national reference points, the Framework is based on what is considered international best practice in advancing women's financial inclusion.

Developing a women-specific strategy stems from the recognition that it is important to treat

women as a critically important and distinct customer group, rather than as a subset of a broader group, for example "vulnerable"; it recognizes also that there are specific segments within this customer group. With this perspective in mind, the Framework builds upon the 2018 *National Financial Inclusion Strategy (Revised)*, but makes the important distinction that the 2018 *Strategy* is framed collectively as "women, micro, small and medium-sized enterprises (MSMEs) and people living in the most excluded regions (North East and North West)," whereas this Framework is focused entirely on women's financial inclusion, addressing the financial inclusion of all categories of Nigerian women, young and old, throughout the country.

The Framework carves out the barriers of particular importance to women, laying out **eight** strategic imperatives and related recommendations with the greatest potential for addressing these barriers.

What this Framework Covers:

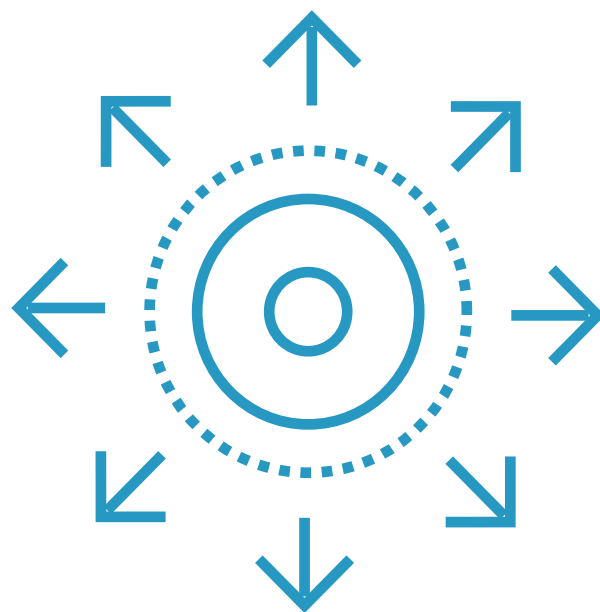
- The Framework focuses on issues within the boundaries of the financial sector space, while recognizing the high importance of broader economic and societal issues.

The focus here is on what's actionable, implementable, feasible, and trackable in the short to medium term, within the financial sector sphere.

In the short term, **the focus is on women's account ownership, with an eye on the ambitious targets for inclusion required to reduce the gender gap;**

In the medium- (to longer-) term, **building a culture of usage of financial services by women across Nigeria in a sustainable way required to deepen financial inclusion.**

- This financial-sector "perimeter" does not minimize the importance of the critically needed responses to deep-seated cultural barriers (for example, social norms, security, and safety barriers) and barriers such as low levels of education and income and other drivers of exclusion such as marital status, land rights, and location.



- The Framework identifies key barriers to access to finance for women in Nigeria, and identifies strategic imperatives and related recommendations within the boundaries of the financial sector space.

The recommendations are designed to be translated into specific actions over the short- and medium-term.

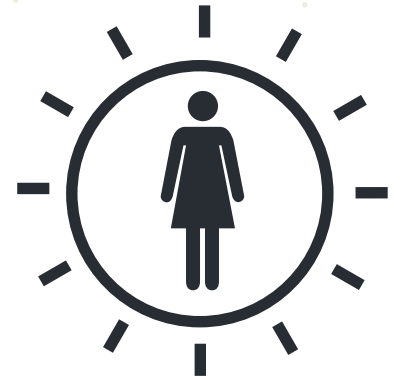
- The Framework makes reference to experiences in other countries of specific relevance for Nigeria. It recognizes however, that the offer of financial products and services and the status of enabling environments are in constant evolution and these references are understood to be judged relevant at the time of the drafting of the Framework.



2

Women's Financial Inclusion

in the broader context of women's economic and social empowerment



There is widespread evidence of the economic and societal benefits of women's financial inclusion. Women's financial inclusion can create greater economic stability and prosperity for women, their families, and their communities, by building assets, enabling the ability to respond to family needs, and mitigating risk. When a woman has access and, just as importantly, control of formal financial products she not only contributes to her own well-being, but also to the well-being of her family. When a woman saves in a safe place, she saves for her children's education, her family's health and their better housing – building both security and prosperity. With greater security and prosperity, she gains greater economic empowerment.

Growing evidence from International Monetary Fund (IMF) research suggests that increasing women's access to and use of financial services can have both economic and societal benefits. For example, in Kenya, women merchants who opened a basic bank account invested more in their businesses.

Female-headed households in Nepal spent more on education after opening a savings account. A recent IMF study¹ shows that greater inclusion of women as users, providers, and regulators of financial services has broad benefits. Narrowing the gender gap fosters greater stability in the system and enhances economic growth.

Being financially included can have transformative effects for women. When women actively participate in the financial system, they can better manage risk, smooth consumption in the face of shocks, or fund household expenditures like education. Providing low-income women with the right financial tools to save and borrow money, make and receive payments, and manage risk is important for women's empowerment, but also for poverty reduction,²

Women's financial inclusion is not only a powerful force in the economy and in society: it is a particularly powerful force. While both men and women benefit from financial inclusion, there is evidence that economic inequality falls more when women have greater access to finance than when men have greater access.

This Framework addresses what can be done in the financial sector realm, to use the tool of financial products and services to empower women, in both their role as economic agents and their role as agents of social change.

¹ Ratna Sahay and Martin Cihak. "Women in Finance: A Case for Closing Gaps." Washington DC: IMF. September 17, 2018

² Sarah Hendricks. "The role of financial inclusion in driving women's economic empowerment." *Development in Practice*.

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3

Starting Point

Status of access to finance for women in Nigeria



The starting point for this Framework is the recognition that Nigerian women are less financially included than Nigerian men and significantly so.

The 2018 EFINA Access to Finance survey in Nigeria shows that the national financial inclusion rate was 58.9% of women compared with 67.4% of men, or a gender gap of 8.5%.

The gap is particularly acute in rural areas: 24% of women in rural areas register ownership of formal accounts, as opposed to 54% of men.

The unserved and underserved women are concentrated in the lower income segments of the population (monthly income under NGN 40,000).

There are also significant variations among Nigerians, with the gender gap differing significantly among regions of Nigeria.

The gender differences in financial inclusion are also apparent in the types of financial services or products available in the market, with the gender gap playing out across the board⁴. Few Nigerians borrow from banks (1.6% of men and 1.0% of women).

Nigerian men are considerably more likely to save in a bank (25.8% of men; 16.3% of women). Women are more likely to save with informal mechanisms only (21.9% of women, 15.1% of men). Roughly twice as many men as women are likely to have a pension product (10.6% of men, 5.4% of women).

The gap continues in the realms of remittances: 26.1% of men vs. 18.6% of women use bank services to receive remittances.

The lack of insurance products is striking across genders: only 2.4% of men and 1.0% of women have one or more insurance product.

These reference points are important ways and opportunities to close specific financial inclusion gaps.

³ This Framework adopts the EFINA definition of financial inclusion: "Financial inclusion is the provision of a broad range of high-quality financial products, such as savings, credit, insurance, payments and pensions, which are relevant, appropriate and affordable for the entire adult population, especially the low-income segment." In terms of measurement, EFINA defines financial access as the use of banking or other formal financial services. It is this measure, the use of banking or other formal financial services, against which progress is measured through the biennial EFINA demand-side surveys.

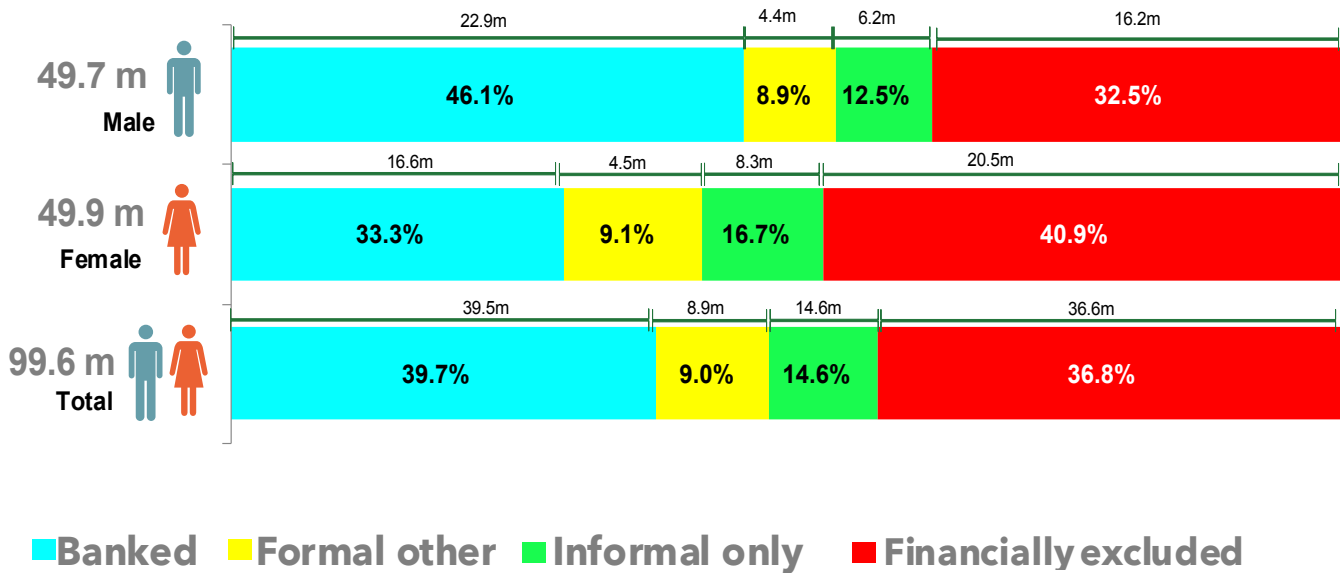


Financial Inclusion of Nigerian Women: Status in 2018

Financial Access by Gender

- Financial access is skewed towards male adults
- Adult men are more likely to be banked than adult women
- Adult women tend to use more formal-other and informal financial services than adult men

Adult Population 18+ Years



Source: EFInA Access to Financial Services in Nigeria 2018 survey 61

4

Vision & Overarching Objectives



Building on the revised targets of the 2018 National Financial Inclusion Strategy (Revised), and integrating the critically important gender dimension, this Framework adopts the following vision:

To be a globally recognized, increasingly inclusive financial sector that has closed the gender gap by end 2024

With this vision in mind, the objective of this Framework is to provide a blueprint for sustainable access to, and usage of, financial services by women in Nigeria, with closure of the gender gap, i.e. moving from the 8.5%

gender gap (based on 2018 data) to no gender gap in 2024.

This is to be achieved in a two-step process. The first milestone on this path is the reduction of the gender gap by one half by end 2021; this is the target set by members of the Alliance for Financial Inclusion (including Nigeria) under the Denarau Action Plan⁵. The second milestone is to eliminate the gender gap by end 2024⁶.

The AFI Denarau Gender Action Plan

Given the persistency of the gender gap in financial inclusion, members of the Alliance for Financial Inclusion (AFI), including Nigeria, committed in 2017 to the Denarau Action Plan to increase women's access to quality and affordable financial services globally — bridging the financial inclusion gender gap. The Denarau Action Plan targets to accelerate the progress of women's financial inclusion by halving the financial inclusion gender gap across AFI member jurisdictions by 2021. The Plan outlines ten steps to support the commitment of AFI members to close the gender gap in financial inclusion.

The closure of the gender gap is important not only because it is part of the achievement of Nigeria's overall financial

⁴ Source: 2018 EFINA Access to Financial Services Survey.

⁵ AFI members committed to the Denarau Action Plan to increase women's access to quality and affordable financial services globally – bridging the financial inclusion gender gap. The Denarau Action Plan targets to accelerate the progress of women's financial inclusion by halving the financial inclusion gender gap across AFI member jurisdictions by 2021.

⁶ It is important that stakeholders are in a position to measure the achievement of the targets. The normal biennial release of EFINA surveys would not include 2021. EFINA could consider conducting a light off-year survey to provide an indication of the gender gap at the end of 2021 (the timeframe under the AFI Denarau commitment).



inclusion target, but also because of the potent value proposition of women's financial inclusion in the context of Nigeria's economic and social development. (The targets (milestones) and corresponding time horizons are based on the current economic and social context in Nigeria and the current analysis of barriers and opportunities. The full impact of the global COVID-19 pandemic is unknown, but it will certainly affect financial systems, real economies, and entire societies. While it is too early to make adjustments here, the timeframe for achieving the targets may need to be re-examined in function of the impact of the pandemic over time. However, the vision will not vary, nor the high level of ambition of achieving it.)

This Framework identifies the key barriers to attaining this goal, frames the strategic imperatives and recommendations required to overcome these barriers, and sets the stage for the formulation of a set of actions that are implementable, feasible, and trackable. This blueprint will have a separate implementation plan that includes the specific roles and responsibilities of all relevant stakeholders in improving access to finance by women in the country.

The goal of attaining the financial inclusion of Nigerian adult women and men at equal levels by end 2024 is ambitious. The CBN has provided indications of what would be required to achieve the ambitious overall financial inclusion target: product

development, financial education and consumer protection, the leveraging of digital platforms, and the proliferation of agent networks. An ambitious financial inclusion target cannot be reached without closing the gender gap; this entails addressing these requirements, and others, with a gender lens.

This Framework strives to respond to this challenge by identifying the highest priority actions for Nigeria in the short term (1 to 2 years), to reach the first milestone, with further important actions in the medium term (3 to 4 years), to reach the second milestone. This begins with the imperative of increasing overall account ownership by women. This imperative translates into (a) a set of three immediate strategic imperatives (the immediate "musts") designed to significantly ramp up as the opening of accounts for women across Nigeria, which are subsequently used and, (b) five strategic imperatives designed to ensure that a sustainable financial services platform serving Nigerian women exists and is consolidated beyond 2024.

There are a number of catalysts to make this happen, beginning with a clear focus on the most effective measures that can be implemented in the short term and the mobilization of all stakeholders in a position to play a role in this endeavor.

³ This Framework adopts the EFINA definition of financial inclusion: "Financial inclusion is the provision of a broad range of high-quality financial products, such as savings, credit, insurance, payments and pensions, which are relevant, appropriate and affordable for the entire adult population, especially the low-income segment." In terms of measurement, EFINA defines financial access as the use of banking or other formal financial services. It is this measure, the use of banking or other formal financial services, against which progress is measured through the biennial EFINA demand-side surveys.

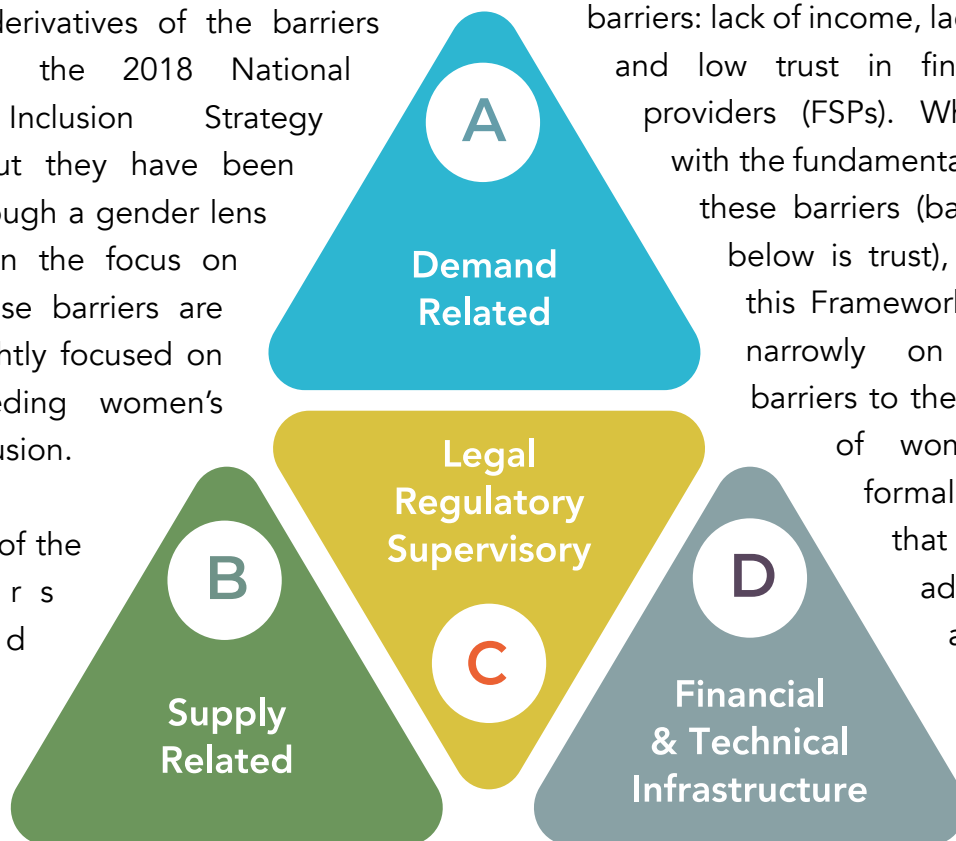
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Key Barriers to the Financial Inclusion of Women in Nigeria



Previous strategy documents outline the barriers to financial inclusion, notably the National Financial Inclusion Strategy (Revised). The set of barriers defined below are derivatives of the barriers reflected in the 2018 National Financial Inclusion Strategy (Revised), but they have been revisited through a gender lens to strengthen the focus on women. These barriers are therefore tightly focused on issues impeding women's financial inclusion.

The analysis of the barriers benefited from the analysis presented in the



Assessment of Women's Financial Inclusion in Nigeria (CBN and EFinA, December 2019).

The Assessment focuses on three primary barriers: lack of income, lack of education, and low trust in financial services providers (FSPs). While concurring with the fundamental importance of these barriers (barrier number 1 below is trust), the analysis in this Framework focuses more narrowly on the specific barriers to the full integration of women into the formal financial sector that can be addressed by actions within the realm of the financial sector.

A) Demand-Related Barriers

(1) Low-income women lack trust in formal FSPs and in the products/delivery systems they offer, preferring to keep money at home. This has been identified in the CBN/ EFinA Assessment of Women's Financial Inclusion in Nigeria as the most important barrier to women's financial inclusion, one that can be addressed in part with a gender-

sensitive outreach to women outside the financial system.

(2) Social norms limit women's ability to take advantage of opportunities, underlying their exclusion from formal financial services. (While issues around social norms cannot be solved via the offer of financial service, they can be taken into account when determining how to reach out to unserved women.)



(3) Women are less aware than men of financial products, their opportunities, their challenges, and their use. They question the relevance of financial services to them and their lives and exhibit lower financial and digital literacy, with steeper adoption curves when it comes to technology.

(4) Women (and men) find it too costly to reach a bank, given the distance to travel and the opportunity cost of travel to access financial services when they could be engaged in economically productive activities.

(5) Many more women than men lack National Identity Numbers (NINs) and the associated cards, limiting their access to the broader range of financial services. The acquisition process is considered to be cumbersome and costly. As of October 2019, less than 20% of Nigerians (37 million) were registered for NINs. A study of 10 countries by GSMA indicates that the 11% difference in NIN ownership by men (53%) and by women (42%) in Nigeria is the largest gap of the 10 countries studied; the same study classifies Nigeria as having an “intermediate” identity ecosystem development (e.g. ease of obtaining an identity card)⁷. Bank Verification Numbers (BVNs) may serve as a proxy and fulfil Tier 1 KYC requirements, but do not replace the NIN.

(6) Women are less integrated into the digital world. While women have access to mobile phones in Nigeria, there is a very significant gender gap (15%) in mobile internet users (i.e. smart phones) (35% of women as opposed to 50% of men, according to 2019 GSMA data).

EFInA data (2018) indicate that 17.4 million adult Nigerians had completed a fully digital payment in the past 12 months or sent remittances digitally in the past 6 months; the 2018 EFInA data indicate a gender gap in DFS of 9.6%, as 13% of the female population and 22.6% of the male population had completed a fully digital payment.⁸ The growth and relevance for women of both digital financial services (DFS) overall and fintech solutions in particular will be constrained as long as they are limited to feature phone technology.

B) Supply-Related Barriers

(1) Broadly, FSPs do not offer appropriate, tailor-made products and services for women that are able to meet their daily needs; as they are developed “neutrally” without strong data analysis of the target segment and their peculiarities.

(2) There is an insufficient articulation of the business case for FSPs to further extend their products and services to drive greater financial inclusion of poor women.

(3) The costs of outreach to women customers in rural areas are particularly high, making it even harder to get the business case right in rural settings, for women in particular, as they are less mobile. This is particularly evident in the North East and North West.

(4) The lack of big “anchor flows” (government-to-person payments, or G2P, and person-to government payments, or

⁷ GSMA, “Exploring the Gender Gap in Identification: Policy Insights from 10 Countries,” 2019.

⁸ Earlier Findex data (2017) indicate that only 4% of women use a mobile money account, as opposed to 7% of men, both low figures; use of a mobile phone to access an account is only slightly higher, but with men using mobile phones at a rate double of that of women (10% as opposed to 5%).

P2G) means there is no critical mass to warrant investment in digitizing G2P/P2G payments and delivery infrastructure, with account linkages.

C. Legal/Regulatory/Supervisory Barriers

At the policy and regulatory level, central banks and other oversight bodies often assume that their policies, regulations, and supervisory practices are gender neutral. In reality policies and regulatory frameworks significantly impact women's financial inclusion differently from men's financial inclusion.

(1) The regulatory framework for DFS / Fintech is not yet consolidated. Possible adjustments to the existing regime for Payment System Provider (PSP) licensing regime to accommodate Fintechs (notably tiering). This regulatory framework does not incorporate considerations of the promise of digital financial services (DFS) for women.

(2) There are overlapping new and draft guidelines and policies, with implications for women's financial inclusion not defined, leading to uncertainties for FSPs.

(3) The pricing schedule for agent fees, while intended to keep down the cost of financial services, is a barrier to expanding agent networks; the lack of motivation for the specific recruitment of female agents reduces the impact of agent networks on the inclusion of lower-income women as clients.

(4) The rules-based Guidelines for Micro-insurance Operations in Nigeria (January 2018) aim at bringing new players into the market. Unfortunately, they have created additional uncertainty mainly with regard to statutory deposits

and capital needs and raised concerns from insurers as to whether they could offer microinsurance as part of their normal business.

D. Financial and technical infrastructure barriers

(1) NINs have not been issued at the desired pace; the deployment is costly; a consolidated national database is still lacking.

(2) Connectivity infrastructure does not meet the need for integration of low-income population segments, disproportionately represented by women

(3) The data needed to monitor the progression of women's financial inclusion, and the barriers along the way, are not available; most financial sector data are not disaggregated by gender.



6

Eight Strategic Imperatives



For Advancing Women's Financial Inclusion in Nigeria

The formulation of the eight strategic imperatives below takes into consideration the analyses contained in the most recent strategy exercises and background research, as well as interviews and webinars specific to this exercise.

The strategic imperatives are consistent with the priorities identified and adopted in the 2018 National Financial Inclusion Strategy, in addition, they take into account the December 2019 Assessment of Women's Financial Inclusion in Nigeria. The important specificity here is that the definition of the strategic imperatives focuses on (a) what is most important to close the gender gap and to ramp up the use of financial products and services by Nigerian women, and (b) what can be done within the realm of the financial sector. It is important to draw clear lines between the focus on women's financial

inclusion and the broader issues of women's economic and social

empowerment. Setting this perimeter makes it possible to focus on strategic imperatives and recommendations that are specific to the financial sector.

Strategic imperatives 1 – 3 address the most urgent measures to ramp up women's financial inclusion with the objectives of this Framework in mind; strategic imperatives 4 – 8 address an equally important set of imperatives, which focus on the development and uptake of a range of viable women-focused products and services and delivery systems, with the recognition that the implementation of these recommendations requires a longer time horizon.

The implementation of this Framework calls for developing concrete actions under each recommendation, classified as short-, medium-, or long-term actions.





Strategic Imperative Number

1



Implement a set of measures to support account opening by women on a large scale and in short term.

This first strategic imperative addresses the most immediate action to ramp up account ownership. These measures include ensuring that all women obtain NINs and the ramping up of G2P payments to women. The fastest way to achieve the account opening by Nigerian women that is necessary to attain the first financial inclusion target is to address three elements as quickly as possible:

- (a) a push to issue NINs, to allow for verifying/ authenticating identities seamlessly;
- (b) a push to support women in the opening of a basic account (Tier 1 account); and
- (c) a push to use G2P payments to activate financial inclusion by Nigerian women⁹.

The pairing of digital identity and digital accounts is mutually beneficial to both citizens and governments¹⁰. An ID system supported by digital technologies can enable women to prove easily who they are, making account opening and financial transactions simpler and much faster. The bulk of G2P payments are salaries; full consideration needs to be given to the nature of G2P in favour of low-income groups, women in particular, at federal and state levels.

One of the key flows to promote is the disbursements under the Government Enterprise and Empowerment Program (GEEP) (which has emerged as the largest microcredit program in the world, having brought in 2.2 million new entrants, of which 56% are women,

into the formal financial system over a four-year period, with bank accounts and mobile wallets).

Another consideration currently is the payment of social welfare benefits. The COVID-19 pandemic has further shifted the country towards electronic payments, a tool to stem the spread and reduce the need for the use of cash. Many social welfare programs can benefit from further digitization.

Recommendations:

1.1. Expand the issuance of National Identity Numbers, to reach all Nigerian women, erasing the current gender gap in NIN issuance; determine less cumbersome (and safer, in the post-pandemic context) processes of capturing biometrics in the field; where there is relatively greater ease of issuance of BVNs, follow this as an alternative path, with the processes in both cases managed by women as far as possible.

1.2. Conduct a survey on gender distribution in NIN issuance, with a focus on awareness, location of enrolment centres, knowledge of requirements by women, with the objective of informing the design of supply infrastructure.

⁹ India serves an internationally recognized example: The gender gap narrowed from 20% in 2014 (Findex data) to 6% in 2017. This result stemmed largely from the government push to increase account ownership through the establishment of Unique Identification numbers (UID), named as "Aadhaar," biometric ID cards. The National Payments Cooperation of India launched Aadhaar Payments Bridge & Aadhaar Enabled Payments System which uses Aadhaar number as a central key for electronically channelizing the Government benefits and subsidies.

¹⁰ Bank Verifications Numbers can serve as an alternative to NINs, but their deployment can be cumbersome and costly for financial service providers; one proposal is to expand outside of bank branches the outreach for signing up.



1.3. In driving NIN registration for women, promote public-private sector initiatives, hinged on essential services; include government driven incentives as a measure to encourage collaboration with the fast-moving consumer goods; leverage electricity distribution companies, hospitals and healthcare centres and agriculture-related businesses to facilitate NIN registrations for women.

1.4. Promote the expansion of women's ownership of Tier 1 accounts¹¹ (or mobile wallets as an alternative) with seamless cash-in-cash-out options, using available data and generating new data to identify women to be targeted and how to reach them.

1.5. Assess/evaluate the demography and socio-cultural peculiarities of women, including research at state and even local government levels across Nigeria, with a view to determining the bespoke variants of the General Savings Account that need to be developed to support account opening.

1.6. Anchor G2P payments (at the federal, across government agencies, and state levels) to women's accounts, shifting routine cash payments (wages and social benefits) onto accounts; set an ambitious target for percentage of G2P/P2G payments to be digital; treat G2P recipients

as customers rather than beneficiaries, tying payments to bank accounts and mobile wallets.¹²

1.7. Create community ambassadors through an incentivized referral system that rewards referrers with commissions or incentives such as non-cash tangible benefits (e.g. non-reloadable prepaid cards that can only be used to purchase consumables from partner fast-moving consumer goods chains).

1.8. Raise awareness and incentivize the value chains for cashless transactions. (The most potent value-chain that could be enhanced is the agricultural value chain. The value of DFS could be accentuated by granting farmers access to greater revenue by providing insurance for the harvest, stock savings, advance payments/credit and direct links to processors and end consumers.)

1.9. Leverage "trusted advisors" within the community for word-of-mouth encouragement and buy-in. (The trusted advisor or empathetic community champion could be male/female, parent/sibling, religious leader/local ruler, etc. These should be identified, on-boarded and trained adequately. There should be commissions or other incentives furnished for every financially included women.)

¹¹ Tier 1 accounts, as designated in the CBN Circular of January 2013, revised in 2016, require minimal identification (passport photo, name, and place of birth) and have a monetary threshold of NGN 50,000 per single deposit and a maximum threshold of NGN 300,000 for the cumulative balance. Falling into this category are mobile-money NIPOST accounts. In development are SANEF General Savings Accounts, which bundles a savings product with other financial services.

¹² Mexico provides an example of a successful G2P program, with a caveat. "Prospero Digital," led by the government, addressed the digital onboard of seven million beneficiaries of the Prospero conditional cash transfer program, 98% of whom were women. (The narrowing of the gender gap in Mexico is attributed largely to this model. Establishment of accounts led to their use for the receipt of remittances. At the same time, it was determined that that ongoing use of the accounts opened required making sure that women had

Strategic Imperative Number

2



Expand financial and digital literacy (capabilities and skills) programs for low-income women in the context of specific financial behaviours and products.



Women who are financially literate have the ability to make informed financial choices regarding saving, investing, borrowing, and other financial transactions. Experience has shown that low-income women can manage finances capably and can take advantage of product offerings; however, the rapid development of DFS brings new challenges. Financial knowledge is especially important in times where increasingly digital and increasingly complex financial products are offered across all income segments of the population, and at an early age. Linking financial and digital literacy training to the actual offer of products and studies is an effective approach to addressing customer needs.

In Nigeria, women are currently behind men in accessing DFS. This development is a factor in slowing the closing of the gender gap, or even widening it; it is an important reason to address financial and digital literacy in ways that contribute substantially to the uptake and usage of DFS by Nigerian women.

Recommendations:

2.1. Review the National Financial Literacy Framework (2015) with a gender lens and revise to incorporate gender considerations in the rationale, vision/mission/objectives, strategic focus, targeted segments, and implementation plan, in order to incorporate gender considerations across the Framework.

2.2. Develop capabilities and skills

programs that are tied to actual, real-time transactions (offer of specific financial products and services intended to serve women), so that both clients and FSPs can see tangible benefits and results; push for FSPs to take on the responsibility for delivering these programs.

2.3. Develop models (and financial and digital literacy training packages) for roll out of financial and digital literacy program adapted to women's needs; learn from the current models offered by FSPs; use the opportunity for account opening to tie financial literacy efforts to the transaction; embed capacity building into G2P program delivery; educate women on the availability of specific (culturally appropriate) products; determine the best form of outreach to women customers (e.g. Peer to Peer Learning at point of usage).

2.4. Educate women on consumer protection rights and redress mechanisms.

Strategic Imperative Number

3



**Expand
Delivery
channels to
serve women
customers
closer to home**



In Nigeria, agent network development was initially slow, with low numbers overall and with most agents operating in urban areas. The expansion of delivery channels through the growth of agent networks is well underway under the Shared Agent Network Expansion Facility (SANEF),¹³ designed to deepen financial inclusion in Nigeria through an integrated ecosystem with strong regulatory oversight, consumer protection and interoperable systems with limited concentration risk.

Within this push to build agent networks, the case for the expanded recruitment of female agents is straightforward. EFINA's 2017 financial services agent survey indicates that only 22% of sampled agents were women.¹⁴ In the context of the current push to increase the number of agents (300,000 as of April 2020), the percentage of female agents is now less than 20%. Yet women are more likely to access financial services from an agent of the same gender. Within a reassuring environment for transactions fostered by female agents, customers feel that female agents have more patience and are more willing to spend time to address queries or explain the features of a new product. More women in agent banking may be the key to close the gender gap in financial access in Nigeria.

More intentional action is needed to encourage increased participation of women in agent banking. According to a GSMA study,¹⁵ enlisting female agents may be the most effective way to overcome low literacy rates and to build women's confidence and

trust in using financial services. The cultural norms in northern Nigeria make the use of women agents an even greater imperative.

Recommendations:

3.1. Adjust the regulatory framework for agent networks to ensure that women are better served by agents, via channels closer to home.

3.2. Review the pricing structure to strike the right balance between reducing costs for customers and providing an incentive structure that encourages the expansion of agent networks.

3.3. Introduce guidelines to encourage gender balance in agent networks, with financial as well as commoditized benefits, including addressing the question of incentives for greater recruitment of female agents.

3.4. Leverage the results of the forthcoming EFINA-led agent survey, which includes gender-disaggregated data on agent networks (agents and those served), giving due consideration to allowing market-based pricing for agent services; remove existing caps on agent fees; expand the services of agents to include wallet /account opening, of particular importance to women.

3.5. Launch a campaign to bring in new women clients in rural areas, taking the opportunity of the launch of licensed Payment Service Banks (PSB) to bring in new female agents in rural areas.

¹³ SANEF is powered by the CBN, deposit money banks, the Nigeria Inter-Bank Settlement Systems, Chartered Institute of Bankers of Nigeria, licensed mobile money operators and shared agents with the primary objective of accelerating financial inclusion in Nigeria.

¹⁴ A new EFINA agents survey is forthcoming.

¹⁵ Groupe Spécial Mobile Association. "2019 State of the Industry Report on Mobile Money."

Strategic Imperative Number

4



Mandate the development of systems of gender disaggregated data collection to meet the needs of FSP's, Government and Regulatory / Supervisory authorities



Gender-disaggregated data is key in bridging the financial inclusion gender gap. This requires ensuring that the financial services “community” (suppliers, government, regulators and supervisors, as well as research institutions) report effectively on women’s financial activity through the establishment of gender-disaggregated data. There are still challenges to collecting and using gender data on financial services, particularly in supply-side data from FSPs.¹⁶

Demand-side data from survey conducted by EFINA remains the most widely accepted data source on financial inclusion and on women’s financial inclusion more specifically. Gender related data is regularly captured.

CBN does not yet have gender-disaggregated supply-side data as part of regular reporting by financial institutions. Banks provide data on a monthly basis, but this does not include gender-disaggregated data. Plans are underway to address this deficiency in data collection. Currently, the Financial Inclusion Secretariat (FIS) of the CBN has sent data requests to banks on a semi-annual basis since 2016; this request includes columns for gender-disaggregated data; responses to this request are to be confirmed. To a large

extent, the supply-side data collected by the FIS mirrors the reality of the demand-side data collected by EFINA.

Recommendations:

4.1. Promote the collection of gender-disaggregated supply-side data, to underpin women’s financial inclusion efforts (data collection by providers, regulators and supervisors, government agencies, and researchers) through the reporting by FSPs of gender-disaggregated portfolio data.

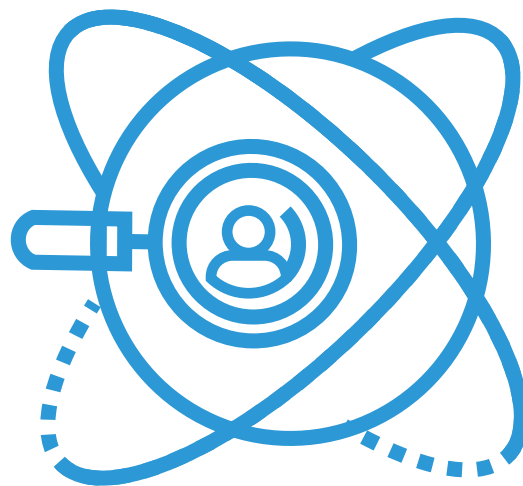
4.2. Incorporate best practices in collecting, analysing and using gender-disaggregated data to promote financial inclusion for women (as prescribed under the AFI Denarau Gender Action Plan).

4.3. Deploy the findings and analyses from gender-disaggregated data to concrete policy decisions and their implementation

¹⁶ This is an imperative worldwide. Supply-side data guide policy making, regulatory responses, and market development (potential business opportunities for targeting women clients). Yet there are few countries today where gender-disaggregated data is available on the supply-side. The most striking example of countries that do so is Chile, the only country that has consistently tracked gender-disaggregated data on its financial system over a significant period of time - 15 years; an example of the value (including the business case) of tracking is the revamping and improvements of loan products for affordable housing to better align with women’s borrowing and repayment patterns - 69% of the loans in the housing program are held by female single heads of households. The Central Bank of Egypt and the Bank of Zambia provide additional examples of national gender-disaggregated supply-side data collection frameworks.

Strategic Imperative Number

5



Complete and consolidate the enabling environment required to advance the government's financial inclusion agenda, integrating a gender lens



Nigerian authorities have made considerable progress in improving the regulatory framework to advance the government's financial inclusion agenda. For example, three-tiered KYC requirements were introduced in 2013, of considerable importance for women's financial inclusion. The current work to consolidate the regulatory framework for DFS and fintech promises to consolidate guidelines; this exercise is an opportunity to fully integrate gender dimensions.

The CBN has a number of initiatives underway to further develop the enabling environment to foster the expansion of DFS and related fintech solutions while balancing innovation and financial system stability objectives. A number of these developments are propitious for expanding women's financial inclusion, e.g. tiering the existing regime for Payment System Providers' (the underlying e-payment infrastructure) licensing regime to accommodate fintechs.

Recommendations:

- 5.1.** Complete and issue fintech guidelines taking into consideration the imperative of women's financial inclusion.
- 5.2.** Ensure approval and implement KYC tiering of Payment Service Providers to reduce entry barriers for innovators and to facilitate the development of solutions that can benefit the underserved, especially women.
- 5.3.** Integrate gender considerations into the Fintech Industry Innovation Sandbox and to the regulatory sandbox (CBN and Nigeria Interbank Settlement System), to safely balance the potential of new technologies to reach women with the risk management that is necessary to ensure financial stability and financial consumer

protection.

5.4. Analyse the Federal Competition and Consumer Protection Act (2019) to determine its impact on types of FSPs of particular importance for women's financial inclusion.

5.5. Ensure the adequacy of the Consumer Protection Framework (2016) in relation to women as financial consumers; collect gender-disaggregated complaints and adjust the consumer protection regime in function of learnings from the gender-disaggregated data.

5.6. Promote and monitor the rollout of Payment Service Banks to ensure that the dual goals of outreach to women (and men) in rural areas and financial viability can be met,¹⁷ including PSBs led by women, most notably in the northern part of Nigeria,

5.7. Review the processes of the National Collateral Registry for women registering collateral (both moveable and immovable); develop or enhance any decentralized verification/validation/collection system for collateral registry that would enable the onsite confirmation of the movable asset and the borrower's authenticity.

5.8. Provide regulatory support to the expansion of insurance products, promoting sound and inclusive business models, product bundling, and distribution channels, within a framework of principle-based regulation that sets boundaries but still allows innovation to happen.

Strategic Imperative Number

6



Develop financially sustainable products and delivery systems that respond to low-income women's needs.



Nigerian FSPs are increasingly moving into the financial inclusion space, better recognizing the value proposition of women's financial inclusion. Following the launch of the 2012 Financial Inclusion Strategy and the subsequent 2018 revision, formal FSPs have worked on retail strategies, including agent banking, expansion of products and services to win women's loyalty, and building financial literacy in concert with product outreach¹⁸. Fintech works nimbly to facilitate the offer of products of a range of FSPs.

Insurance is an area where market development in Nigeria is very limited for both women and men; yet EFINA research shows that 32 million adults would be interested in insurance products.¹⁹

One example of interest on the insurance front is the innovative state-subsidized health insurance program of the state of Kwara that reaches over 3 million people. It could be an interesting model for other states to follow or a way to incentivize account opening.

Recommendations:

6.1. Map the financial industry to determine the current volume of coverage of women clients by different types of financial intermediaries and where the greatest potential lies.

6.2. Demonstrate to FSPs the business case for offering financial products and services to low-income women through research/documentation and information sessions;

develop evidence regarding the range of financial products and services targeted toward women and how they can both meet women's needs and be profitable.

6.3. Identify opportunities for collaboration between/among institutions that combine, for example, the technical means to reach out to the unserved and underserved women and the vocation to achieve this outreach.

6.4. Challenge FSPs to increase the percentage of the loan portfolio and of savings accounts attributed to women; develop a program of innovation grants to incentivize new products and delivery systems with the greatest potential for advancing women's financial inclusion.

6.5. Build resilience by developing savings (including structured savings solutions), insurance, and pensions, and capital market products targeted at women customers, including the bundling of products.

6.6. Develop financial products for SME sector designed to work for women; leverage bank-led mobile money operator models to offer credit solutions to MSMEs.

6.7. Further the development of gender-sensitive products for agricultural finance, including structured group finance that link farmers and traders to

¹⁷ The experience with Payment Banks in India offers an opportunity to learn from the rollout, and possible course correction, of this model in India. Payment banks, for which the first licenses were issued in 2015 by the Reserve Bank of India, have had challenges with the viability of the business model. Factors include the

capital and markets.

6.8. Determine additional ways for community-based financial institutions to serve low-income women across Nigeria, leveraging existing community structures (including via fintech solutions); advance SANEF initiatives to support the offer of products and services suited to low-income women (savings, credit, micro- insurance, and micro-pensions), with particular attention to the North.

6.9. Identify opportunities to develop financial products in the areas of micro-insurance and micro-pensions; in the insurance realm, target large groups and take into consideration appropriate cover, simple and easily understood products, manageable premiums, suitable delivery channels, and convenient premium collection methods.



Strategic Imperative Number

7



Promote, at the industry level, the expansion of DFS and FinTech solutions aimed at improving women's financial inclusion.

Given the importance of the expansion of DFS and the implementation of fintech solutions, and the range of issues associated with women's DFS, this strategic imperative drills down on the previous one. Despite the promise of DFS in closing the gender gap, a push needs to be made here: EFINA survey data (2018) indicate a gender gap of 9.6%, as only 13% of the female population and 22.6% of the male population had completed a fully digital payment at the time of the survey.

DFS are touted as a means of increasing women's financial inclusion. DFS can address a number of barriers of particular relevance to women's financial inclusion, such as the distance from FSPs, cultural limitations to engaging with FSPs, lack of suitable products, and high costs of outreach of financial services in rural areas.

For women, DFS offer a many advantages over traditional financial services: control of finances, ease of access of a range of products and services, privacy, reliability, greater affordability, convenience (removal of the distance hurdle), accessing financial products and services more suited to their needs (savings accounts, non-collateralized loans based on data analytics, bundled products that include insurance), and entering the formal economy through digital G2P transfers. Of great importance, women gain agency in the management of their accounts: when wages

are digital, women are more likely to save.

The use of agents, particularly women from the same socio-economic group as the customer (who just have more technical knowledge), builds trust (as familiarity breeds trust), and ensures privacy and patience. Diffusion of DFS can take place within social structures and social norms. The agent factor is of importance such that it makes sense to bring agents into the process of product design.

A number of caveats apply: the need for financial literacy and digital literacy, and the need for financial consumer protection measures, including easily accessible recourse mechanisms.

With a view toward realizing its commitment to improving and promoting financial inclusion and digital innovation in Nigeria, the CBN is committed to supporting the development of DFS and fintech solutions.²⁰ The opportunity to expand the use of technology in favour of women's financial inclusion is there: while 70% of women would rather transact in a face-to-face context, 78% were prepared to learn new technology.²¹

The need to expand the use of DFS is all the more acute in the context, as of May 2020, of the COVID-19 crisis, when conditional cash transfers through mobile

zero Merchant Discount Rate (fee levied by banks from merchants for providing them with payment (settlement) infrastructure), the challenging business model (inability to offer credit or accept larger deposits), and competition from other banks and payments providers. Some Payments Banks have explored conversion into Small Finance Banks.

18 Pakistan's women's financial inclusion strategy, "Banking on Equality: A Policy to Reduce the Gender Gap in Financial Inclusion," (March 2020 consultation document) puts the responsibility for action largely on financial services providers (FSPs). This strategy is built upon five Pillars, which focus largely on what FSPs can contribute to expanding women's financial inclusion: (1) gender diversity in financial institutions and their access points, (2) women centric products, (3) women's desks at banks; (4) gender disaggregated data, and (5) a Policy Forum.

19 EFINA. Micro-insurance Assessment and Landscape Study in Nigeria: Supply-side Perspectives, December 2018



money operations are a critically important piece for the poorest and most vulnerable segment of the population; it provides an opportunity to capture people digitally.

Recommendations:

7.1. Develop a better understanding of the opportunities for women's access to DFS (innovation, partnerships, physical/digital mix) and the barriers (digital literacy, smartphone ownership, identification).

7.2. Sensitize women (and men) on the need to use mobile phones for financial transactions; set up incentives for women who own mobile phones to use them for social benefits, transfers, stored value ("wallets," accounts); allow for trials to build confidence.

7.3. Expand the scope of fintech engagement in favour of low-income women, including applying women-centred design,²² pilot programs, to digitize savings, build credit scores, and provide credit, and insurance (and their distribution channels) and pension solutions; use female agents who pay attention to social systems, incentivized correctly; initiate referrals programs.

7.4. Use the Fintech Industry Innovation Sandbox to develop products and services that meet women's needs.

7.5. Work to expand Nigeria's connectivity infrastructure to expand access for unserved and

underserved communities, recognizing that low-income women are disproportionately affected by connectivity challenges.

7.6. Instil collaboration between the Nigerian Communications Commission (NCC) and network providers for the expansion of mobile network infrastructure and services to encourage DFS and fintech solution providers in the creation of innovative products that would reach women in rural areas, thereby expanding their customer base.

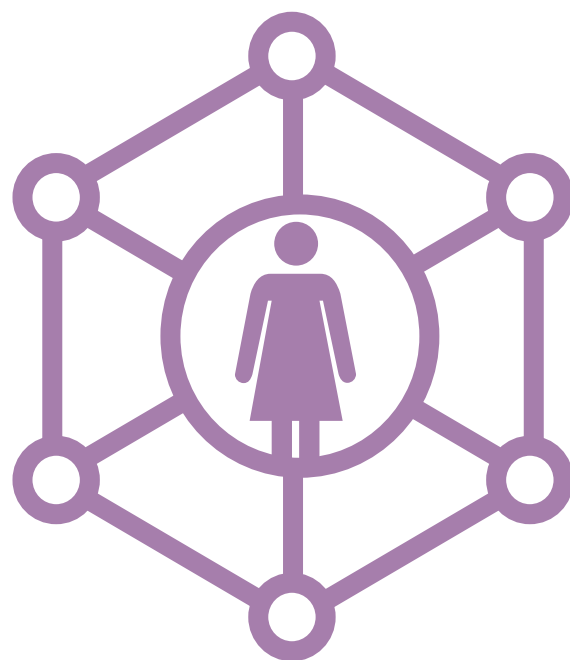
20 An updated EFINA fintech paper is forthcoming.

21 The Gender Landscape Study (based on the 2018 EFINA A2F survey).

22 There are four pillars of women centred design: (1) know the customer; (2) segment customer research by gender; (3) meet women where they are; and (4) build opportunities in product design to earn trust. Women's centred design is both a process and a mindset that begins with empathy and aims to look at the problem as a whole.

Strategic Imperative Number

8



Build a culture of women's leadership and staffing in financial institutions and other key agencies.



The compelling case, on both economic and social grounds, of increasing women's financial inclusion calls for a closer look at the potential of women leaders to play important roles in this endeavour, whether business leaders, policy makers, regulators or supervisors. Gender-diverse teams are better equipped to understand women clients. Gender diversity introduces unique perspectives, leading to innovation. Women in leadership and governance positions influence profoundly vision, culture of the financial service provider, its conduct, and its risk management. Banks and financial supervisors with women in leadership positions lead also to a more stable financial sector.

Experience worldwide shows that women champions play important roles in promoting women's financial inclusion. From a business perspective, women have a better understanding of the constraints facing women in using financial products, as well as the nature of product features that will be attractive to women and thus encourage usage. From a policy perspective, women are compelling spokespersons, both nationally and internationally, for women's financial inclusion.

Nigeria is already in a position to showcase women's leadership at government, central bank, and corporate levels. There is potential to further recognize and leverage this leadership.

Recommendations:

8.1. Designate "champions" under the National Financial Inclusion Steering Committee, Technical Committee, and Working Group to promote and represent the Framework and to take on responsibility for implementation under each strategic imperative.

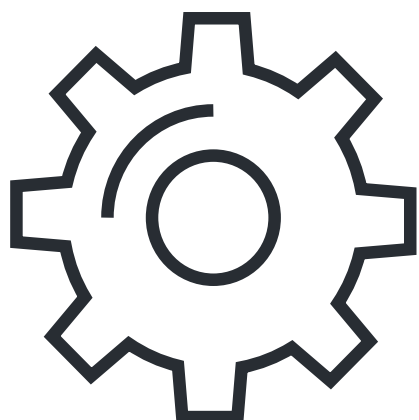
8.2. Review the evidence for the power of women's engagement in governance and management of both financial service advisors and policy, regulatory and oversight agencies, developing an understanding of the effects on women's financial inclusion of the numbers of women in governance and management positions.

8.3. Set expectations for / incentivize the numbers of women in management positions in financial institutions and in financial services regulatory institutions; introduce regulatory policies to establish targets and monitor.

8.4. Apply and leverage Principle 4 of the Sustainable Banking Principles (women's economic empowerment), which refers to women in the workplace and the development of appropriate financial products for women.

8.5. Drive female participation in fintechs through education of young women, regulatory policies to drive gender diversity, and sponsorships and mentorship. women and the vocation to achieve this outreach.

7 Implementation Approach



It is recognized that efforts to drive financial inclusion in Nigeria require the efforts of a broad range of financial sector (and other) well aligned stakeholders. The CBN is positioned to provide the overall leadership, given its well-structured approach to drive financial inclusion efforts.

Efforts to drive women's financial inclusion in Nigeria require the efforts of a broad range of well aligned stakeholders in the financial sector, with the Central Bank of Nigeria (CBN) providing the overall leadership.

The National Financial Inclusion Technical Committee, chaired by the Deputy Governor, Financial Systems Stability Directorate, of the CBN, is the body approving the Framework. Authority for the implementation of the Framework is conferred to the FIS. The FIS is responsible for leadership and oversight and for ensuring that multiple government and industry stakeholders work together to carry out the agreed-upon actions.

Oversight and coordination

This Framework provides strategic imperatives and proposed recommendations leading to concrete action leading to significant annual increase in women's financial inclusion in Nigeria. It is foreseen that stakeholders will adopt an approach of structured coordination by the FIS of implementation of the actions under the eight strategic imperatives and the associated recommendations.

In order to implement this framework, the following operational approach, under the guidance of the FIS, is foreseen:

- The FIS takes on leadership and structured coordination of implementation of the Framework.
- The FIS is assigned the responsibility for coordinating and monitoring the implementation of the strategic imperatives and the associated recommendations by ensuring:
 - (a) ownership, follow-through, and timely action by the lead implementing agency under each strategic imperatives;
 - (b) deep and substantive engagement with stakeholders to ensure that the overall objectives of advancing women's financial inclusion remains top of mind for implementing agencies;
 - (c) the nomination of a "gender champion" from among top-level management staff in each lead implementing agency and ensuring that the gender champions support the



implementation of the recommendations under the strategic imperatives;

(d) advocating for and ensuring that gender considerations are substantively considered at Financial Inclusion Governing Committee meetings;

(e) taking any other measures necessary to meet the objectives under this Framework; and

(f) budgetary oversight for any funding incurred by CBN/FIS associated with the implementation.

- Each lead implementing agency (per strategic imperative) will be responsible for taking the necessary actions to drive the great progress in women's financial inclusion that this Framework calls for. In particular, institutions are called upon to develop action plans for the critical areas for which they are responsible. These action plans are to fit into its overall plan for improving access to finance for unbanked Nigerians under the 2018 national strategy.

Principles of implementation

The CBN is attentive to the need for a concerted implementation process to ensure the success of the Framework, as part of realizing the vision for the financial sector in Nigeria. Given the considerable number of recommendations (set out under each strategic imperative) to be implemented, one cannot avoid that the number and complexity of the issues at hand require an action plan with the large numbers of individual actions.

The complexity of the exercise and the number of stakeholders calls for a tight process with clear responsibilities and with regular

monitoring, in the hands of the leaders of each strategic imperatives with the Financial Inclusion Secretariat in the coordination role. With this challenge in mind, the CBN defined a set of principles of implementation:

- Workstreams around the strategic imperatives, recommendations and related actions need to be agreed upon and defined with targets and deadlines. Specific actions within each workstream need to be clearly defined.
- "Owners" of these targets—those accountable for each action—and dependency organizations should be articulated at every stage.
- Financial services providers and third-party providers need to be brought in at the outset of implementation.
- The scoping of what exactly can be accomplished over the short or medium term under an action needs to be well defined.
- Institutional capacity needs to be available and taken into consideration to implement the actions.
- Timelines and deadlines need to be clearly defined.
- Any adjustment to the set of actions needs to keep in mind that the actions must be implementable, feasible, and trackable. The designated implementation bodies will take on clearly identified tasks to carry out the actions foreseen, with owners and participants, and targets identified for each action or set of actions.

8

Monitoring and Evaluation Plan ²³



A monitoring and evaluation plan is to be adopted at the outset of the implementation of this Framework, following the identification of specific activities (actions) under each strategic objective/recommendation.

While the adoption of the monitoring and evaluation plan falls squarely in the implementation phase of the project, it is proposed that the monitoring and evaluation plan include the following elements

- A monitoring and evaluation framework would be developed for each strategic objective, feeding into a logic model, or “theory of change.” These individual frameworks are designed to monitor the actions required to drive the achievement of the eight strategic imperatives, with actions defined on the basis of the set of recommendations articulated under each strategic imperative.

- Under such a framework, an M&E framework for each of the strategic imperatives would feed into the logic model or “theory of change,” which demonstrates how these eight strategic imperatives (and the associated activities, outputs, outcomes, and long-term outcomes) are all linked to one another and ultimately drive towards achieving the broader / overall target of the Framework (closure of the gender gap in the usage of financial services in Nigeria). This document will be subject to review after 5 (five) years of monitoring and evaluating its implementation.

²³ The final monitoring and evaluation plan will be aligned with the dashboard system developed by CBN/FIS under the 2018 Financial Inclusion Strategy. The development of the monitoring and evaluation plan should fall within the implementation phase of the Framework.



9 Risk and risk Mitigation strategies



In order to effectively implement this framework, the risks, risk levels, and risk mitigation strategies have been identified for each strategic imperative. See Appendix 2.

10 Conclusion



Women's financial inclusion is an important element in striving toward the broader goal of women's economic and social empowerment. Financial inclusion is not an end in itself — it is a means of improving livelihoods and fostering women's economic and social empowerment.

The case for a major push to reduce the gender gap in women's financial inclusion in Nigeria is clear: the value proposition of women's usage of a broad range of financial products and services suited to their needs and delivered easily is compelling.

Given this value proposition, developing a women-specific strategy stems from the recognition that it is important to treat women as a critically important and distinct target group. This Framework — designed to leverage this value

proposition— is an important complement to Nigeria's 2018 National Financial Inclusion Strategy.

The Framework lays out a list of ambitious recommendations for translation into action, structured around eight strategic imperatives. Defining this landscape for action is just the beginning of a process of assigning responsibilities among stakeholders and building concrete action plans that ensure the implementation of the recommendations in a concerted effort among well-aligned stakeholders.

This will bring Nigeria not only to closing the financial inclusion gender gap but to ensuring economic and social empowerment, leading to prosperity for Nigerian women, their families, and their communities.

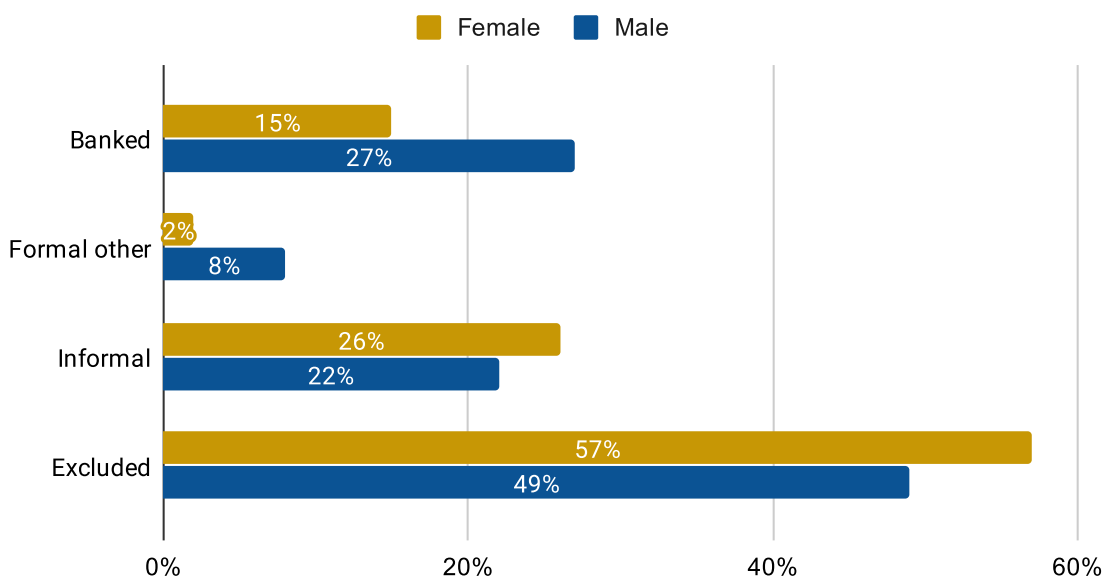
APPENDIX 1 - Data from EFinA: key facts



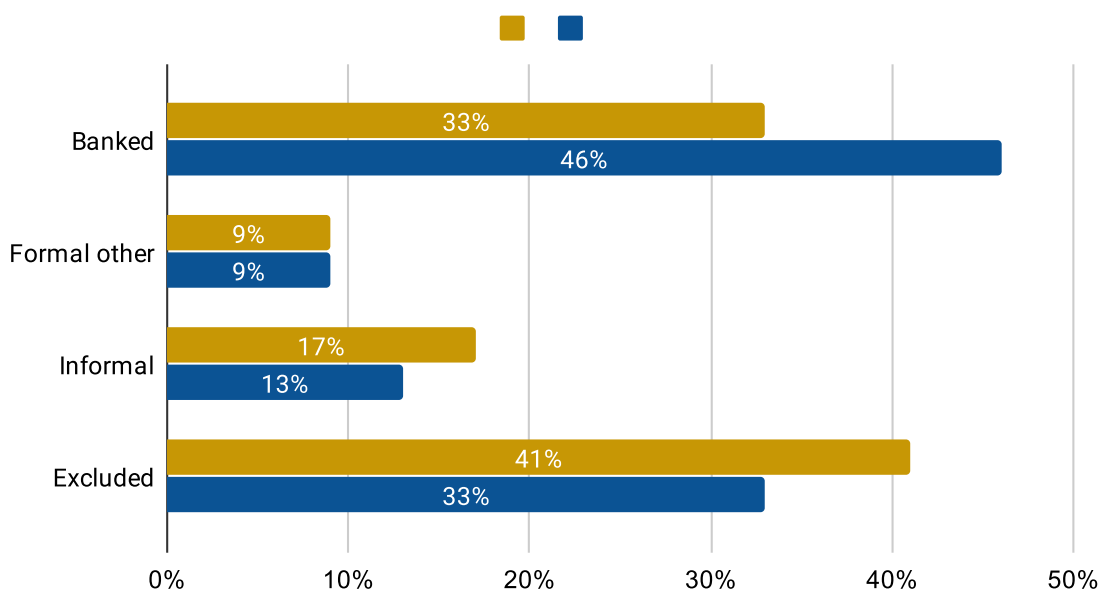
Women are still more financially excluded than men

- The gender gap in financial access is present across regions, income groups, and age groups, indicating that there are systemic obstacles to women’s financial inclusion in Nigeria.
- Women are still more likely than men to rely exclusively on informal financial services

Financial Access by Gender 2008



Financial Access by Gender 2018

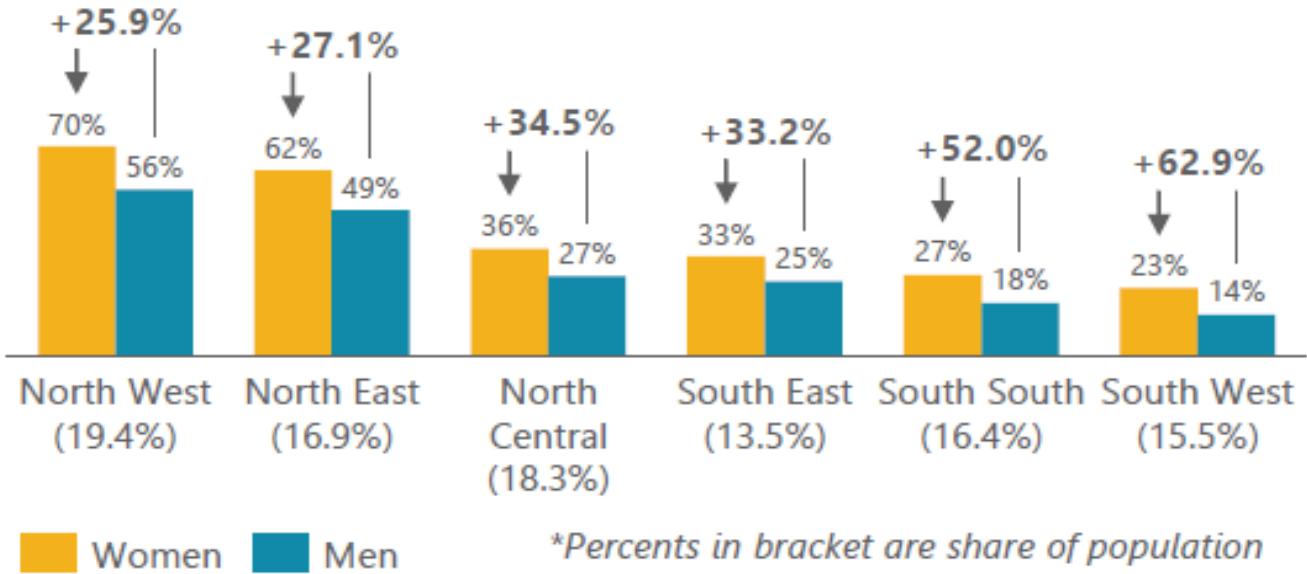


Source: EFinA Access to Financial Services in Nigeria 2008/2018 surveys



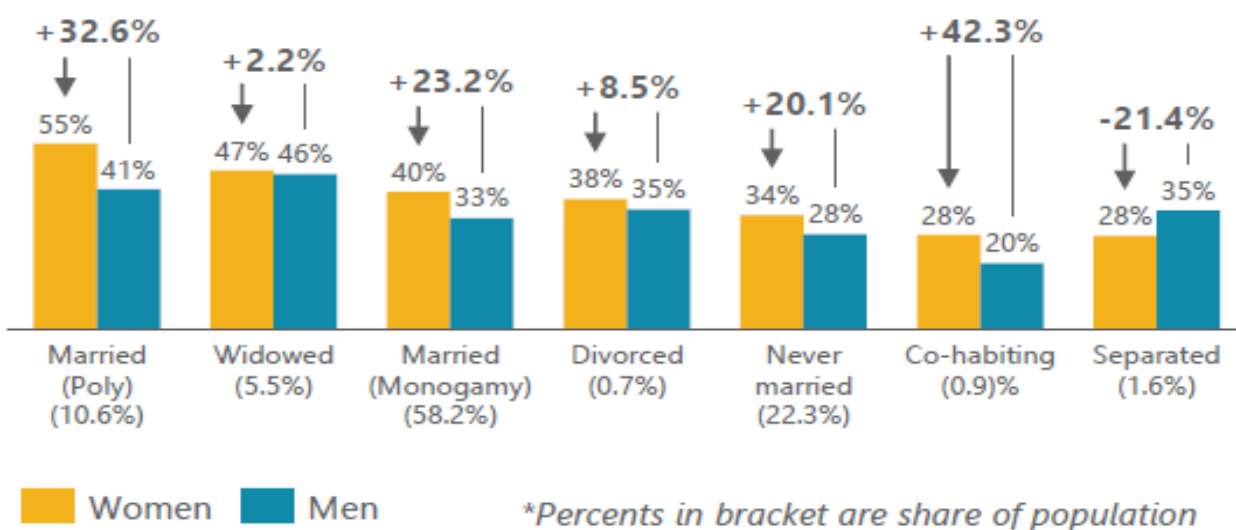
While women in the North West and North East are most likely to be excluded, the highest relative gender gap is in the South West

Proportion of financially excluded adults by zone

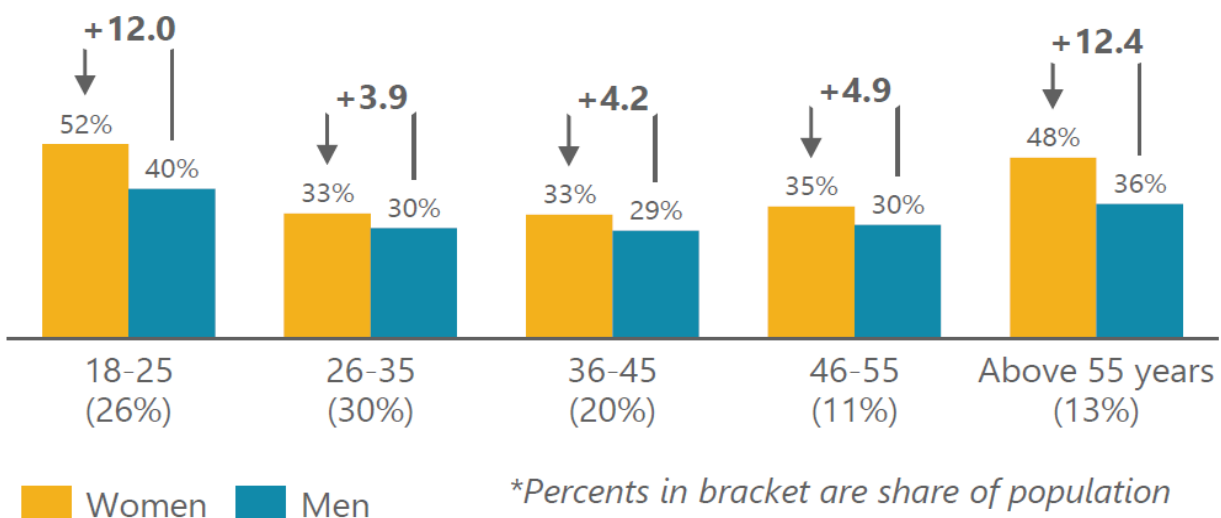


The gender gap is greatest among oldest and youngest populations, and for those who are co-habiting or polygamous

Proportion of individuals financially excluded by marital status



Proportion of people financially excluded by age

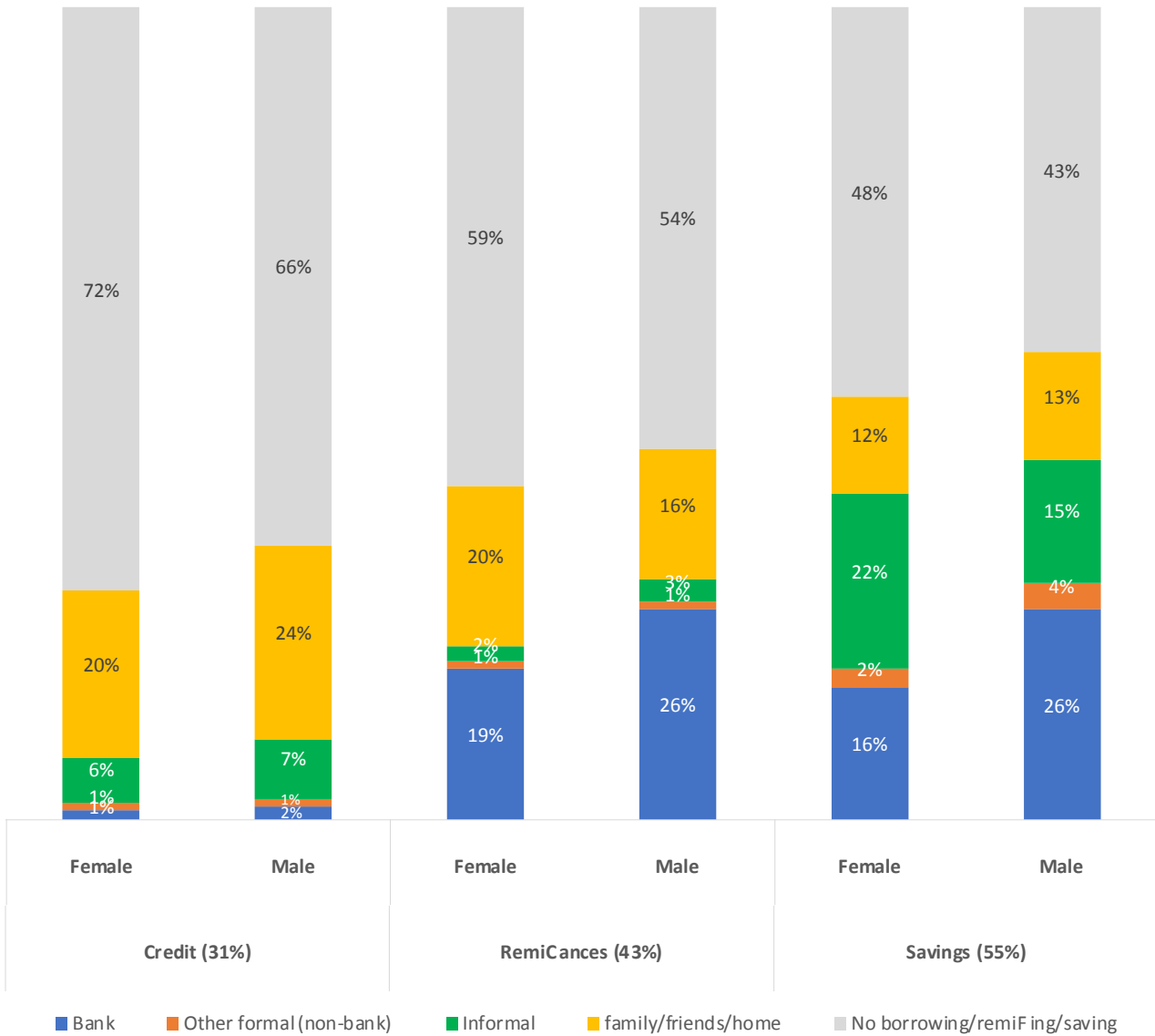


Source: EFInA Access to Financial Services in Nigeria 2018 survey; analysis from Assessment of Women's Financial Inclusion in Nigeria



Men are more likely than women to borrow, send/receive, and save money

- Very few women or men use formal sources of credit
- Men are more likely than women to use formal sources for credit, remittances and savings



Percentages in brackets represent the percentage of the entire adult population that is borrowing, remitting and saving

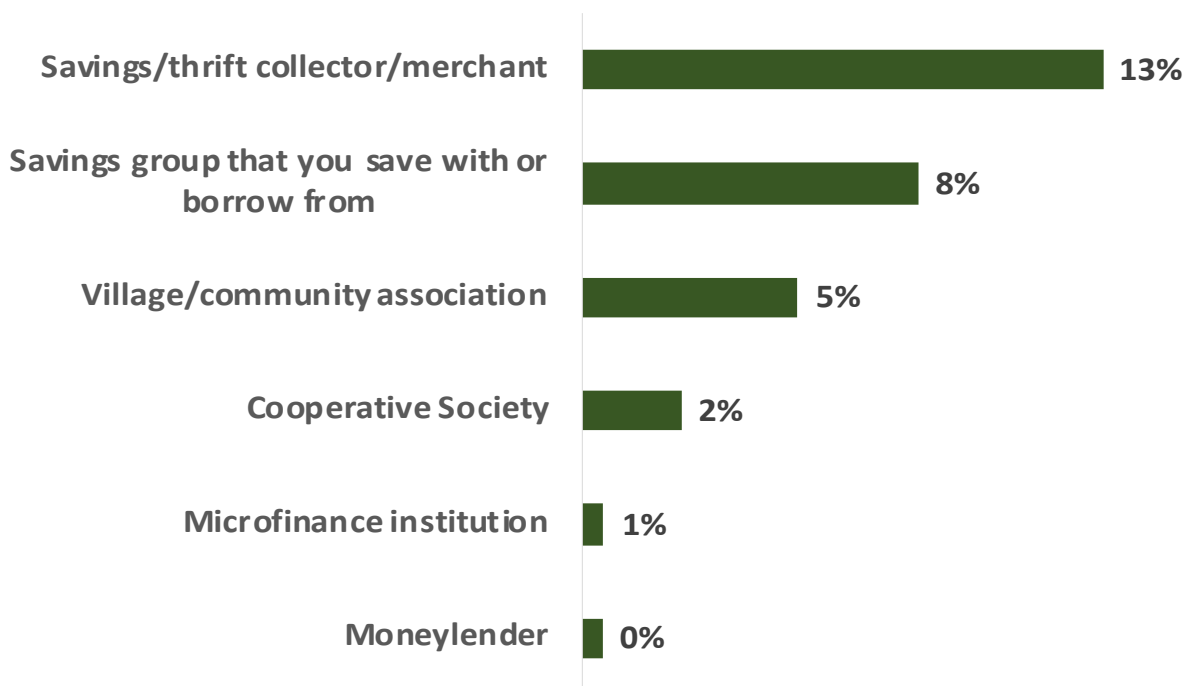
Source: EFInA Access to Financial Services in Nigeria 2018 survey



Women are more likely than men to use informal financial services

- 31% of women use informal financial services (versus 29% of men)
- 17% of women rely exclusively on informal services (do not also use any formal financial services)
- The most commonly used informal financial service providers are savings/thrift collectors

Informal financial service providers used *Percentage of women*



Source: EFInA Access to Financial Services in Nigeria 2018 survey

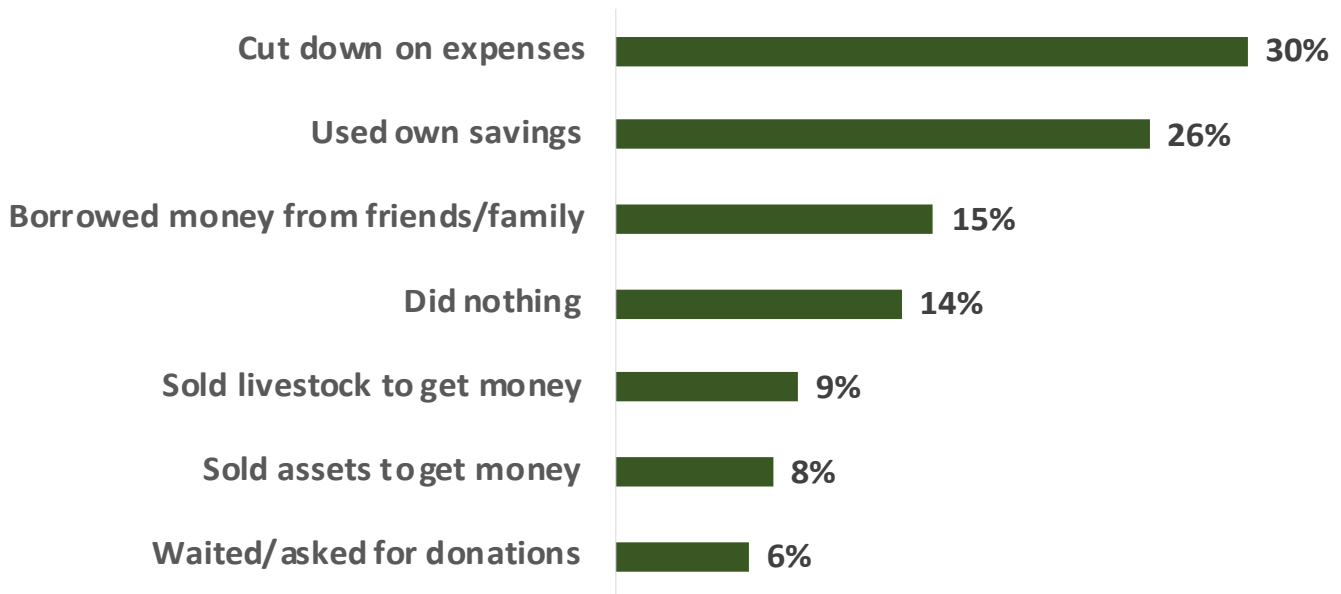


Only 1% of women are insured

- 43% of women say that they have experienced an event in the past 12 months that caused unexpected expenses and made it very difficult to pay for things
- Of those, the most common experience was serious illness of a household member

Coping mechanisms

Percentage of women who experienced an event in the past 12 months that made it very difficult to pay for things

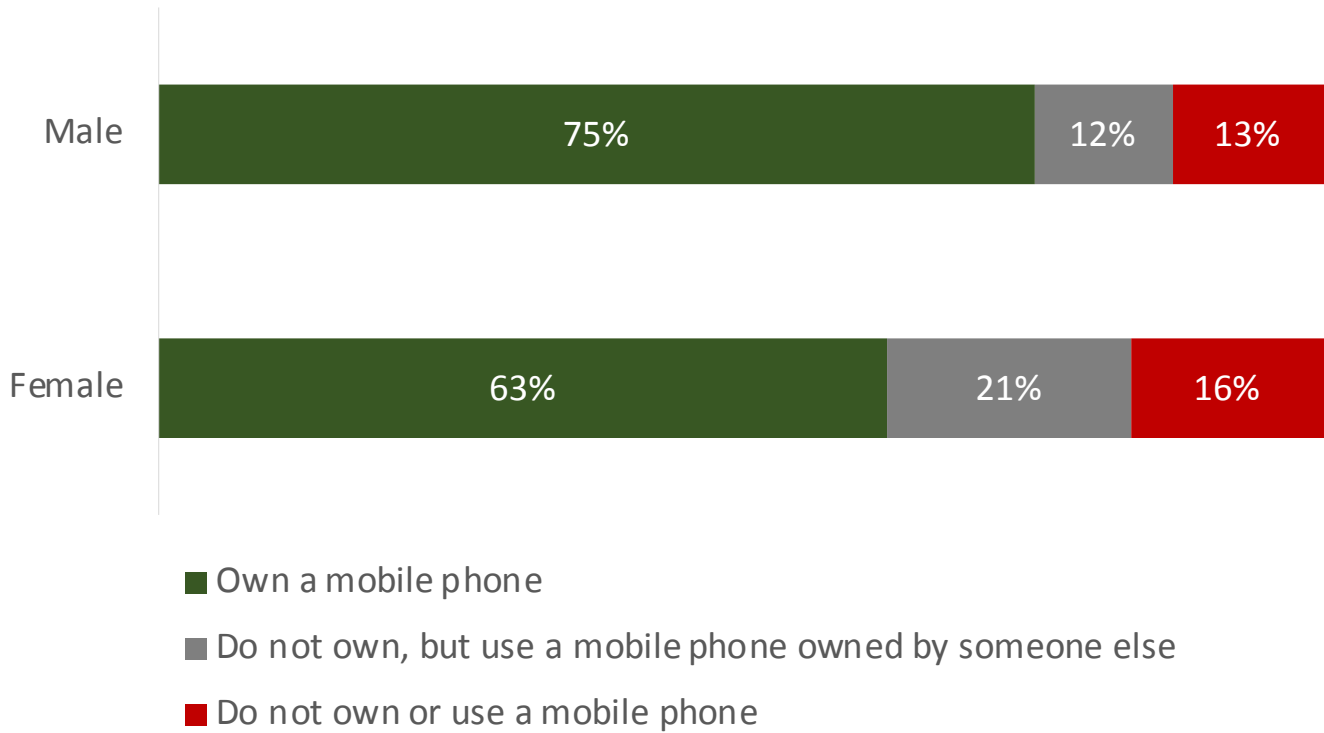


Source: EFInA Access to Financial Services in Nigeria 2018 survey



84% of women have access to mobile phones

Women are less likely than men to own a mobile phone; however, a significant number of women who do not own phones use a mobile phone owned by somebody else

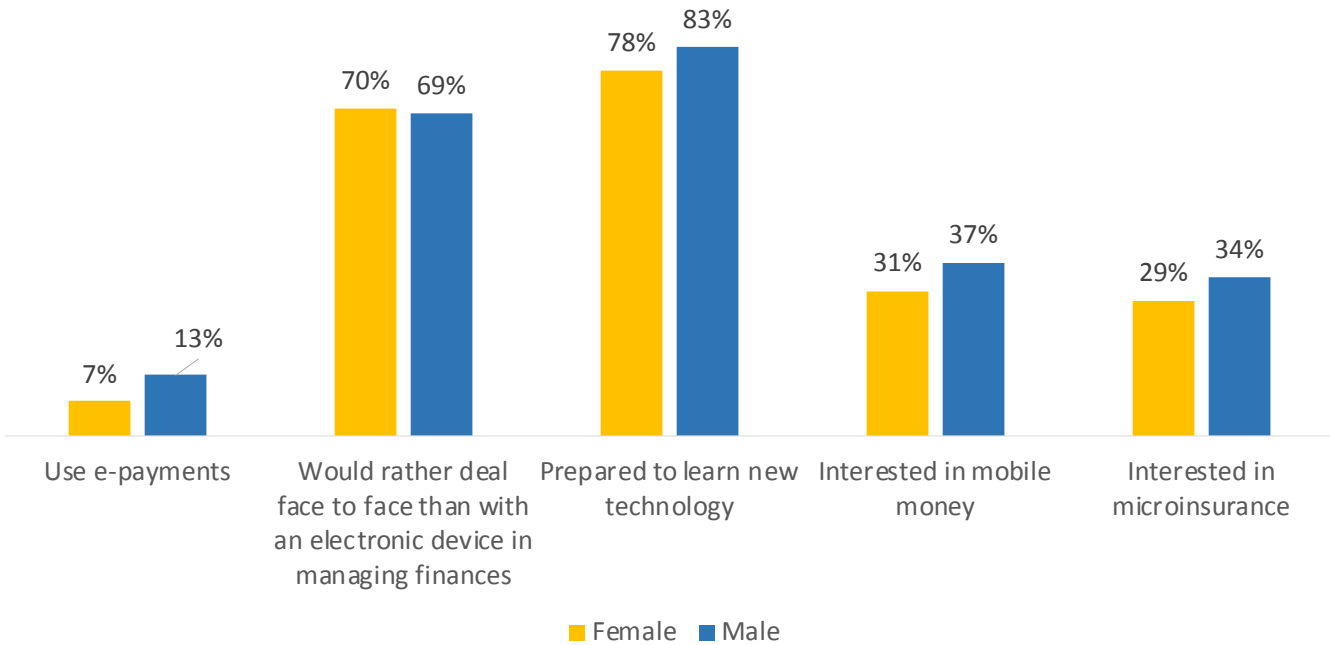


Source: EFInA Access to Financial Services in Nigeria 2018 survey



More than three quarters of women say that they are prepared to learn new technology

- Women are less likely than men to express interest in learning new technology, and using mobile money and microinsurance
- Women are less likely than men to have used an electronic channel to pay for goods/services/bills in the past year



Source: EFInA Access to Financial Services in Nigeria 2018 survey

APPENDIX 2

Principal risks and risk mitigation strategies

This table is indicative, based on the risk assessment outlined at the outset of the implementation of the Framework. The risk analysis is to be updated regularly in the context of the oversight of the implementation of the Framework.

	Identified risk	Risk rating	Risk mitigation strategy
Overall	Deep-rooted social barriers	High	Push on information campaigns; development of products and delivery channels that work for more isolated women
	Lack of concerted effort because of the wide range of stakeholders required to implement strategy; lack of commitment to play	Medium	Tight oversight and monitoring by the FIS/CBN; focus on activities most likely to produce results
	Time frame required is longer than projected in document	Medium	Clear push on implementation, communication based on realism
	Political support wanes over time frame required	Low	Strong leadership at CBN Management level
	Infrastructure development doesn't keep up with needs for connectivity	Medium	Lobby with appropriate national and state authorities to push communications infrastructure development



Strategic imperative	Identified risk	Risk rating	Risk mitigation strategy
1	Capacity not available to increase NIN onboarding	Medium	Greater push at political level
	Inadequate up-take of opportunities to digitize G2P payments	High	Inventory of options for digitization of G2P at federal and state level
2	The sheer numbers of women to reach out with financial literacy	High	Development of financial literacy components to be deployed across the range of FSPs
3	Challenges of outreach via agents in the North	High	Recruitment of local or indigenous female agents, push on DFS
4	Willingness of institutions to comply with data requests	Low	Clear CBN messaging
5	Uncertainty about regulatory framework as DFS/ fintech offer expands	Low	Clear CBN rollout of measures, addressing any lack of clarity
6	Lack of market information to determine current offer and to determine what works for women	High	Crank up data initiatives
	FSPs to not see the value proposition of developing products tailored for women	Medium	Evidence of financially viable products and services, both in Nigeria and from international experience; dissemination of sound practices; engagement of women champions
7	Women are slower than men in the uptake of DFS, widening the gender gap	Medium	Push on development of offer of DFS that work for women, associated with financial literacy components
8	Lack of understanding of the importance of role of women in staff, management, and governance positions	Low	Promotional campaign by CBN, EFINA, mobilizing bankers' association Leverage Nigeria's <i>Sustainable Banking Principles</i> .





**FRAMEWORK FOR
ADVANCING WOMEN'S
FINANCIAL INCLUSION
IN NIGERIA**