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Guide to Increasing Women's Financial Inclusion in Bangladesh

THROUGH

Digital Financial Services

Written by Tasnuba Sinha and Catherine Hightet



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EXECUTIVE SUMMARY

Nestled in the heart of South Asia, Bangladesh's deltas, hills and waterways are home to 161 million people. Bangladesh has arisen as an interesting case of digital innovation because of the rapid growth of digital financial services (DFS), particularly through mobile financial services (MFS). The nation achieved lower middle income country status in 2015, and has begun to showcase the capability of battling rural poverty through inclusive digital financial services.

However, despite rapid growth, a large portion of the population, especially women, remain unbanked with little access to formal financial services. Only 31% of Bangladeshis have access to a formal financial account, a number that is even lower for women (26%).¹ As mobile penetration and connectivity expand across the nation, it offers a unique opportunity to expand financial services to both men and women alike.

Nonetheless, there are specific challenges around women's access to digital financial services, in terms of reach, content and approach. This guide seeks to outline these barriers, and offers a resource for NGOs who are looking to include DFS in their programming and for DFS providers who are looking to understand the segment better. Through design, deployment and education, organizations can better address women's perceptions of and challenges with using DFS.

¹ <http://data.worldbank.org/country/bangladesh>

Bangladesh Snapshot



Bangladesh Snapshot

>90% of the 21 million clients served by MFIs are women.

Source: [Microfinance and Women Empowerment: A Panel Data Analysis Using Evidence from Rural Bangladesh](#)

While most of the population lives in rural areas, Bangladesh has seen an enormous increase in urban migration in recent decades, similar to much of the world. In 1960, 95% of the population lived rurally; by 2015, that number had decreased to 60%.²

This urbanization has been partly caused by employment opportunities in garment and electronic factories, particularly for the rural uneducated poor who have fewer employment opportunities.³ These semi-formal and formal labor markets have created a greater need for financial services, as the fast-growing population requires tools to enable them to transact in flexible ways. Through Muhammad Yunus and the Grameen Bank, Bangladesh was an early pioneer of microfinance, which initially prospered amongst the rural poor, particularly with women, who the service first targeted. Moreover, in order to mainstream the unbanked population, the Government of Bangladesh has taken numerous initiatives including the launch of mobile financial services in 2011. As of June, 2017, more than 16% of adults had an active mobile financial services (MFS) account, while around 32% of adults were registered MFS clients, as indicated by Bangladesh Bank.⁴ Agent banking is also growing in popularity. By March 2017, 13 banks had received permission to offer agent banking services, with 11 banks having already begun rolling out these services. Combined, they have roughly 3,000 agent banking outlets serving 700,000 registered customers as of March 2017.⁵

1 Ministry of Agriculture, Government of Bangladesh, Agricultural Mechanization Roadmap 2016

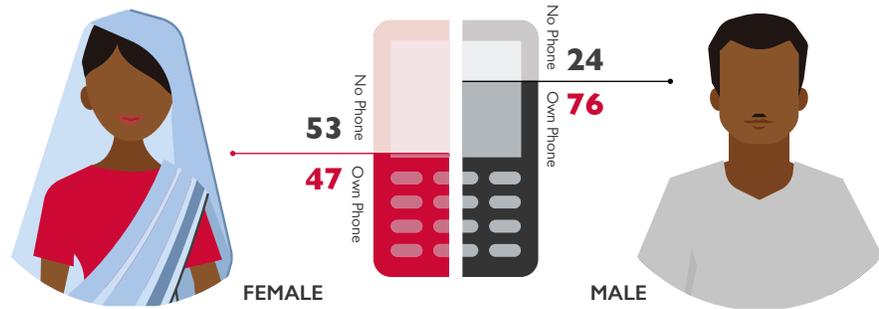
2 <http://www.cgap.org/blog/digital-finance-bangladesh-where-are-all-women>

3 <https://www.theguardian.com/global-development/2012/nov/05/urbanisation-bangladesh-women>

4 <https://www.bb.org.bd/finansys/paymentsys/mfsdata.php>

5 <http://www.thedailystar.net/business/agent-banking-getting-popular-1380442>

Mobile Phone Ownership



Source: *2016 Financial Inclusion Data Finder*

Yet, despite this rapid growth there is still a lot of room for further improvement, particularly given that Bangladesh has been placed 19th of 26 countries in terms of its financial and digital inclusion efforts.⁶ Moreover, despite the important advances in expanding access to formal financial services and the Government of Bangladesh's continuous efforts, a substantial gap remains in terms of gender parity. Less than half of Bangladeshi women own a mobile phone, compared to over three-quarters of men. Furthermore, according to the FII 2015 Bangladesh report, 46% of the women usually borrow a mobile phone and 6% do not have any access to such devices at all.⁷ It has also been observed from the report that "mobile phone ownership corresponds to higher rates of mobile money and bank use", so increasing women's phone ownership may have a positive effect on their future financial inclusion.⁸

⁶ <https://www.brookings.edu/research/the-2016-brookings-financial-and-digital-inclusion-project-report/>

⁷ <http://finclusion.org/uploads/file/reports/2015%20InterMedia%20FI%20BANGLADESH%20Wave%20Report.pdf>

⁸ <https://www.brookings.edu/research/the-2016-brookings-financial-and-digital-inclusion-project-report/>

DFS Landscape



DFS Landscape

Within Bangladesh, when we talk about digital financial services, we are basically referring to one of two things: mobile financial services and agent banking.

MOBILE FINANCIAL SERVICES

Mobile financial services can be defined as a function on a basic, feature or smartphone, which allows users to send, receive and deposit money on their mobile phone, converting stored value to cash through an agent.

The following services are currently offered by MFS providers in Bangladesh:

- » Inbound foreign remittances
- » Cash-in/cash-out using mobile account through agents, bank branches, ATMs, MNO outlets
- » Person-to-Business Payments - e.g., utility bill payments, merchant payments
- » Business-to-Person Payments - e.g., salary disbursement, dividend and refund warrant payments, vendor payments
- » Government-to-Person Payments (G2P) - e.g., elderly allowances, subsidies
- » Person-to-Government Payments (P2G) - e.g., tax, levy payments
- » Person-to-Person Payments (P2P) one registered mobile account to another registered mobile account
- » Other payments - e.g., microfinance, overdraft facility, insurance premiums, DPS

MFS providers are not allowed to directly offer any credit services in Bangladesh, however they can be used as a channel to disburse and collect loans, including for loans offered through the bank's core banking platform.

To date, a total of 28 banks have been awarded with MFS licenses, although only 17 are currently offering MFS. As of June 2017, the total number of registered MFS customers was 51.38 million, being served by almost 750,000 agents nationwide, although this likely includes some double counting as MFS agents are not required to exclusively serve only one provider. A recent estimate by the Helix Institute of Digital Finance put the likely number at just over 300,000 agents.⁹ In June 2017 alone, Bangladeshis transacted more than BDT 300 billion (~ US \$375 million) via MFS.

bKash and ROCKET (formerly known as DBBL Mobile Banking) are the two most prominent players in the Bangladesh MFS industry, with the vast majority of the market share in terms of both customer base and transactions. While non-bank actors, particularly some mobile network operators (MNOs), have shown an interest in delivering MFS, at this time, Bangladesh Bank, the country's central bank, only permits banks or their subsidiaries to do so.

AGENT BANKING

Agent banking is a key distribution model where limited banking services are offered through agents who have an agreement with a bank, and can act on behalf of them. The services offered include deposits and withdrawals, inbound remittances, credit and utility payments, social safety net payments, collection and processing of bank forms, monitoring of loans and advances, savings with interest, and collection of insurance premiums. These agents can be individuals, NGOs, cooperatives, or microcredit agencies, and provide crucial coverage to remote and rural parts of the country.

Agent banking, which was formally allowed in 2013, further enables formal banking services to traditionally inaccessible populations by delivering a fuller suite of financial products than MFS via bank designated agents.¹⁰ To date, 13 banks have received permission to offer agent banking services, 11 of which have already begun offering agent banking services. Those are: Dutch-Bangla Bank, Bank Asia, Al-Arafah Islami Bank, Social Islami Bank, Modhumoti Bank, Mutual Trust Bank, NRB Commercial Bank, Standard Bank, Agrani Bank, Midland Bank, and First Security Islami Bank. However, there is a significant gender gap in this DFS customer base; roughly 30% of total registered customers through agent banking are women.¹¹

⁹ http://www.helix-institute.com/sites/default/files/Publications/Agents%20Count_0.pdf

¹⁰ <https://www.bb.org.bd/aboutus/regulationguideline/agentbanking.pdf>

¹¹ https://www.bb.org.bd/pub/quarterly/agent_banking/jan_mar2017.pdf

OTHER CHANNELS

Mobile network operators (MNOs) are also able to offer a few basic services, which include utility bill payment, mobile top-up and train ticket purchases through their own M-commerce platforms, although Bangladesh Bank does not allow cash out from these wallets or transfers between individuals. However, MNOs have partnered with MFS providers as a delivery channel, particularly through the Unstructured Supplementary Service Data (USSD) channel, in addition to serving as agents for MFS providers, the most prominent example being Grameenphone's MobiCash agent network.

BANGLADESH DFS ECOSYSTEM

The dialogue surrounding the financial inclusion gender gap has intensified as key stakeholders explore how best to engage prospective women customers in ways that meet the needs of both consumers and providers situated within different market contexts. It is important to note that in order to create a proper training curriculum or a digital product catered towards women, the key stakeholders must work together with a number of organizations. Thus, DFS providers, regulatory bodies, development organizations and others must work together to build a digital ecosystem that will support and empower women.

The Digital Finance Consultative Group (DFCG)—previously known as the Mobile Money Consultative Group (MMCG)—serves as a platform in Bangladesh through which stakeholders can share their experiences using digital money, as well as to identify opportunities for new product innovations and barriers that may exist in effectively using existing products to reach remote and underserved populations.

The fifth MMCG meeting brought over 18 representatives from development organizations and DFS providers together for a discussion how MFS can empower rural women by helping them to manage their own finances and increase their control of their money. To learn more, check out the [MMCG meeting highlights](#).

SOME OF THE KEY STAKEHOLDERS TO CONSIDER (NOT EXHAUSTIVE)

Mobile Financial Service Providers



- » bKash by BRAC Bank Limited
- » ROCKET by Dutch - Bangla Bank Limited
- » mCash by Islami Bank Bangladesh Limited
- » MYCash by Mercantile Bank Limited
- » UCash by United Commercial Bank Limited
- » SureCash by Progoti Systems Limited accessible through six banks
- » IFIC Mobile Banking by IFIC Bank Limited
- » Trust Bank Mobile Money by Trust Bank Limited
- » OK Banking by ONE Bank Limited
- » Hello by Bank Asia Limited
- » TeleCash by Southeast Bank Limited

Agent Banking Service Providers



- » Dutch-Bangla Bank Limited
- » Bank Asia Limited
- » Al-Arafah Islami Bank Limited
- » Social Islami Bank
- » Standard Bank
- » Modhumoti Bank Limited
- » Mutual Trust Bank Limited
- » NRB Commercial Bank
- » Agrani Bank
- » Midland Bank Ltd
- » First Security Islami Bank
- » Grameenphone

Mobile Network Operators (MNOs)



- » Robi (Airtel has merged with Robi)
- » Banglalink
- » Citycell
- » Teletalk
- » Bangladesh Bank

Regulatory Bodies



- » Bangladesh Telecommunication Regulatory Commission (BTRC)
- » The Microcredit Regulatory Authority
- » The Ministry of Finance

What are
the barriers
to women's
use of DFS in
Bangladesh?



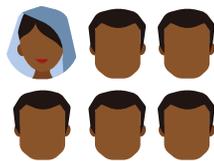
What are the barriers to women's use of DFS in Bangladesh?

The merits of financial inclusion for women are strongly rooted in empowerment and thus providing women with effective and affordable financial tools to save, borrow, transact and manage risks is vital. However, the path to greater women's financial inclusion is reliant upon the creation of a more gender inclusive financial system that addresses the specific demand and the supply side barriers faced by women, supported by an inclusive regulatory environment. These barriers range from something as basic as the lack of access to mobile phones to more constraints such as account opening requirements that disadvantage women. Some of the main challenges faced by women are outlined below.



LACK OF DIGITAL, FINANCIAL AND TRADITIONAL LITERACY

According to [World Bank](#) data, adult female literacy in Bangladesh, which also encompasses numeracy, is about 55%. Since almost all of the USSD menus required to access MFS accounts are in English, understanding them can be even more challenging for rural and lower income women who might not have even learned to read Bangla, much less English.



LACK OF FEMALE AGENTS

Only 3% of MFS agents are women.¹² This lack of female agents can be prohibitive to women who face social pressure to avoid male dominated markets and are often served by MFIs in social groups or directly at home.

¹² <http://www.cgap.org/blog/digital-finance-bangladesh-where-are-all-women>



FEAR OF HARASSMENT

Both real and perceived security threats. This can materialize into sexual harassment by male agents who have gained access to a woman's telephone number at the point of transaction.



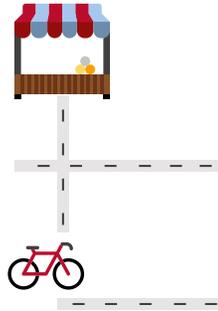
LACK OF FORMAL ID

Many women lack a formal ID, which is required to open an account.



SOCIAL AND CULTURAL NORMS

In many parts of Bangladesh, women are likely to be more economically dependent on their husbands or other male family members for their survival due to their limited earning, male-dominated culture and lower education. Therefore, they usually handover their cash to a male relative to store in their account and don't feel any need to have their own financial account.



DISTANCE

In Bangladesh, only 19% of bank account holders have a bank branch within one kilometer of their house, while 74% of the MFS users have access to an agent within the same distance.¹³ Despite having this high percentage of MFS agent density, agents are often located in areas that rural Bangladeshi women are less likely to frequent. Most MFS agents in Bangladesh are male (3% of MFS agents are women) and located in haat or bazaar areas, which women often have limited access to due to social and cultural norms in the country.

¹³ <http://www.fintechbd.com/an-exploration-of-the-booming-mobile-banking-market-in-bangladesh/>

The Potential of DFS for Increasing Women's Financial Inclusion



The Potential of DFS for Increasing Women's Financial Inclusion

Avoiding theft in urban slums: Khadija's story

“At first I was not convinced with the potential benefits but now I see them”

In 2014, when Dnet started disbursing incentives via mobile payments, Khadija was required to open a mobile money account with bKash. She received training on how to use her account and learned about its potential benefits.

Khadija now uses her account to send money to her relatives in her village, which she previously did via a courier service.

Source: *Avoiding theft in urban slums: Khadija's story*

REMITTANCES

Remittances represent a lifeline for the poor. Receiving money through remittances plays a crucial role in the livelihoods of many Bangladeshis, with millions of economic migrants supporting family members at home. The flow of remittances, whether it is international or domestic, can play a vital part in increasing women's economic opportunities by allowing them a greater control over household finances and thus resulting in greater decision making power. Take for example the case of an RMG worker, who, by sending remittances to her village may acquire a role as the primary earner for her family or a rural housewife who receives remitted money which allows her to have a greater responsibility over household expenditures. In terms of financial inclusion for women, research undertaken by UNCDF has shown that remittances are a high-volume driver especially when accessed through digital channels.¹⁴ According to the research, it has been noted that digitizing remittances is more convenient, less expensive and it decreases the propensity to theft. Additionally, it creates opportunities for the users to take advantage of the other digital services.

In 2015, *Bangladesh received US\$15.8 billion in foreign remittances*, fueled by the *400,000 Bangladeshis who leave the country to work overseas* every year. Furthermore, researchers argue that nearly the same amount of inward foreign remittance (IFR) coming through formal channels also comes through informal channels. Moreover, there has been an upward trend in domestic remittances in the last few years due to the urban migration. While precise figures on domestic remittances do not exist, anecdotally, MFS is increasingly becoming a preferred channel for remitting funds within Bangladesh.

¹⁴ <http://shift.uncdf.org/remittances-driver-womens-financial-inclusion-mekong-region>



“I feel safe keeping money in my mobile money account.”

Kallani participated in a two-day mobile money workshop organized by WorldFish with support USAID’s mSTAR project. From the training, she learned how mobile money can be used to buy airtime, pay and receive salaries, and make domestic transfers. Kallani shared how in the past she saved money by keeping it at home, but now she saves it in her mobile money account instead.

Source: Increasing financial independence through mobile money: Kallani’s story

Despite such immense opportunity for IFR through DFS channels, promotion of these channels for such purposes is still in a nascent stage. One interesting partnership that has taken place around remittances is between MasterCard, bKash, Western Union and BRAC Bank. Through this partnership, people can now directly receive the money sent from abroad using Western Union into their bKash account. This has enabled people to send money more conveniently to their loved ones from more than 200 countries.¹⁵ According to the Ministry of Planning, a significant volume of IFR (approximately 15%) comes through informal MFS channels, which are not included in Bangladesh’s foreign exchange reserve. Primarily driven by the use of MFS as an informal IFR channel, in early 2017, Bangladesh Bank published a new circular on MFS transaction limits in order to combat illegal financial transactions. MFS customers can now deposit a maximum of BDT 100,000 in a month, down from BDT 150,000. The maximum monthly withdrawal limit was also reduced to BDT 50,000, from BDT 150,000. Moving forward, the government of Bangladesh (GoB) is planning to formalize MFS for sending foreign exchange, to include them in the IFR totals. According to the recent quarterly agent banking report, agent banking platforms are also increasingly being used to receive IFR—although still at extremely low levels—with a total of only BDT 57,247 sent via agent banking from January – March 2017.¹⁶

SAVINGS

Anecdotal observations suggest that even though savings behavior has changed throughout the years and people in Bangladesh now tend to save more, only 7% of the population in Bangladesh had formal savings as of 2014.¹⁷

However, Women’s World Banking research says that women are innate savers and can manage to save on average 10 to 15% of their earnings despite their low and often unpredictable incomes.¹⁸ The report also highlights that digital savings accounts can allow women to save in small amounts as often as they want. Women in Bangladesh are not an exception either and it has been seen from anecdotal experience that they generally tend to save more compared to men. However, access to a safe place to save is often lacking. It has been observed that Bangladeshi women, particularly in rural areas, often save informally in unreliable and unsecured ways, such as at home in a drawer, by buying excess stock for their business, in informal neighborhood savings groups or in clay money boxes. This results in an increase in propensity of theft and also risk of loss due to natural disaster.

Thus, introducing women to digital means of savings can provide them a more convenient, reliable, confidential and secured way of savings.

¹⁵ <https://www.bkash.com/wu>

¹⁶ https://www.bb.org.bd/pub/quarterly/agent_banking/jan_mar2017.pdf

¹⁷ <http://datatopics.worldbank.org/financialinclusion/country/Bangladesh>

¹⁸ <http://www.womensworldbanking.org/publications/digital-savings-the-key-to-womens-financial-inclusion/>

“Now I find comfort in using mobile money for personal purposes, as well. It is safe and easy to carry”

In mid-2015, Anamika participated in a mobile money workshop organized by WorldFish. From the training, she learned how to use mobile money.

She now no longer carries additional cash with her for daily grocery shopping or when she occasionally makes larger purchases in the market. Now she cashes in a lump sum amount into her mobile wallet and cashes out the amount required from an agent point or transfers the money to the vendor’s personal mobile wallet to purchase her groceries.

Source: *Less stress, at both work and home: Anamika’s story*

CREDIT

As of 2014, 10% of the Bangladeshi population had formal credit and 48% have borrowed money.¹⁹ Furthermore, when looking at the gender divide, women still fall behind men in terms of the use of formal credit products. Banks and other formal financial institutions often fail to tailor specific credit products to women, even though microfinance models are all based on the assumption that women are more credit constrained than men and thus, enabling access to credit for women can lead to greater investments.

Access to credit can thus open economic opportunities for women, which can result in a decrease in the gender gap and thus eventually increased financial inclusion.

Together with Bank Asia and USAID’s Agricultural Extension Support Activity (AESA), mSTAR/Bangladesh worked on innovating a first-of-its-kind microcredit agricultural loan for farmers called ‘A-Card’. Forty percent of the loan recipients are women. These women are now able to use the microcredit securely and are able to purchase inputs from participating retailers through a digital channel. Additionally, they are now able to access microcredit at rates less than half of what they had previously had access to and with extremely flexible repayment terms and conditions.

MERCHANT PAYMENTS

Merchant payments through DFS are still primarily only available in major urban areas, although this is beginning to change. It is possible to reduce and mitigate some of the risk faced by women when shopping, as they will no longer need to carry as much cash, particularly if more merchant points are deployed in places where women frequently visit, such as local grocery stores. Increasing the number of merchant acceptance points, particularly among small merchants, will reduce the need to have to go to agent to cash out and increase the likelihood that customers will keep funds in their accounts. Furthermore, for more tech literate women living in urban areas, deploying merchant points, particularly in conjunction with online payments, could enable them to order products online and get them delivered to their doorstep.

UTILITY BILLS

Paying utility bills (such as water, gas, and electricity) through DFS, either by a mobile phone or a debit/credit card, is becoming increasingly possible as well. In Bangladesh, many MFS and agent banking service providers, along with MNOs, allow customers to pay water (Dhaka and Chittagong WASA), electricity (PDB, WZPDCL, DESCO, DPDC and REB) and gas (TITAS, BGSL, KGDC, JGSL) bills using their mobile phones or in-person through decentralized agent banking locations.

¹⁹ <http://datatopics.worldbank.org/financialinclusion/country/Bangladesh>



“I use the money I earn to buy clothes for my young one and school fees for my older child. My husband manages our food bill, savings and other expenses.”

Mineri hails from Sirajganj districts and lives with 4 other members in her household. She is primarily a tailor by profession earning BDT 1,000/month. She also manages a poultry business and sells eggs to earn additional income. She does not have any safety net and as her husband does not have any insurance, she would be extremely vulnerable to financial ruin should anything happen to him.

Source: *The Potential of Using Digital Financial Services for Savings Groups in Bangladesh*

bKash, SureCash, ROCKET and a few other MFS providers also enable parents or other family members to pay school fees digitally - offering them flexibility to pay in smaller increments or prepay, as their budgeting allows.

Paying utility and school bills digitally enables women to take control of their economic lives. First and foremost, women can avoid costly trips to faraway bank branches or schools to pay their bills and thus can transact from the convenience of their homes. This not only saves costs but does not require them to skip work or household duties every month just to pay bills.

MICROINSURANCE

Microinsurance is low-value insurance, usually paid through a mobile phone, providing a safeguard against unforeseen circumstances, such as sickness or death. In Bangladesh, there are currently 2 state-owned corporations, 43 private sector general insurance companies and 17 life insurance companies.²⁰

Anecdotally, we have observed that women are especially vulnerable to risks such as health, income generation, old age and death in Bangladesh. This is mostly because of their dependency on their male counterpart and the lack of financial control over the assets. The norms in Bangladesh are that women are to be the caregivers, while men are supposed to be the bread earners. This, however, can result in a lack of a safety net for women; for instance, what happens when their husband dies or decides to leave them?

A microinsurance intermediary, MicroEnsure, has partnered with Telenor and Airtel, and Robi Axiata has partnered with microinsurance provider BIMA to offer life insurance coverage to their customers, provided they top up a minimum value of airtime each month. BRAC also offers insurance to micro-borrowers through their Credit Shield Insurance program, protecting their families from being burdened with this debt in the event of the borrower's debt.

²⁰ <https://www.adb.org/sites/default/files/publication/28949/developing-microinsurance-ban.pdf>

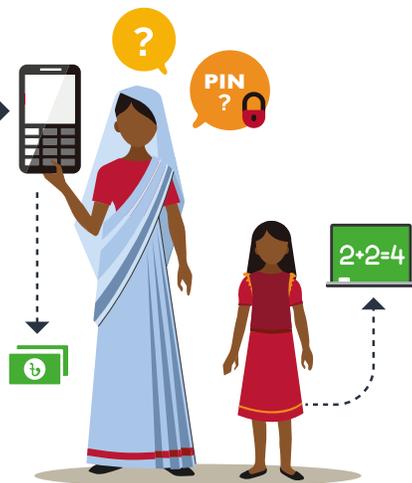
Designing for Women in Bangladesh



Designing for Women in Bangladesh

When designing a new product or a financial literacy program, financial institutions and development organizations need to have a better understanding of potential women customers. As Bangladeshi women are not a monolithic group, they need to identify different core groups of women in terms of their financial capability and literacy. The below scenarios depict different realities of women in Bangladesh, highlighting the key financial challenges associated with each of these realities, offering possible solutions.

The importance of creating archetypes of female customers cannot be overstated. Many view DFS as ultimately gender blind. Since it is digital, it is ultimately unbiased and an equal opportunity transactional platform. This misunderstanding overlooks many infrastructural and cultural barriers that prohibit access and usage by women of DFS.



SCENARIO 1: THE STORY OF KHALEDA

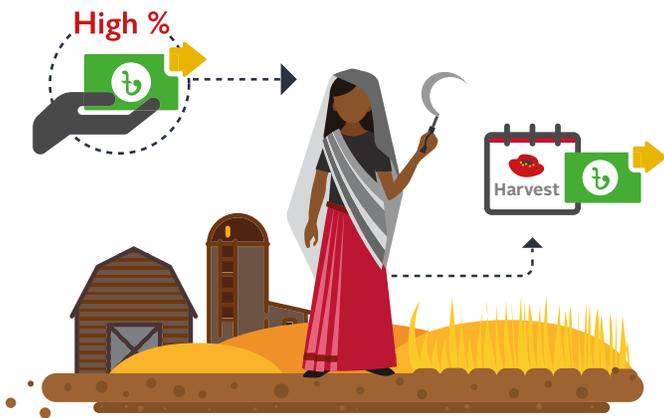
Khaleda is 28 years old and a mother of an 8-year-old daughter. She resides in Dhaka with her mother-in-law and her husband, who works in a small store. She completed her HSC examination and has started working at a garment factory to support her family. For Khaleda, ensuring her daughter's education is among her family's top priorities. Recently, the factory has digitized salary disbursements and will only pay its workers through an MFS account; they have also conducted a workshop to teach them how to use the account. Despite the training, Khaleda still cashes out her entire salary on the day of disbursement, as she is not happy to forego cash, is still skeptical about how electronic accounts work, and fears she might forget her PIN.

Some Challenges:

- » Cashing out such big amounts may increase her likelihood of losing money through theft or loss.
- » Keeping the money with her everyday also increases Khaleda's vulnerability to other risks, including physical abuse.

Possible Solutions:

- » Relevant stakeholders can implement and design awareness and education campaigns promoting the potential benefits of digitization catered to garments workers such as Khaleda. These could highlight other relevant services, such as paying school fees through her MFS account, which would help in avoiding trips to the school and thus will save her time.



SCENARIO 2: THE STORY OF SULTANA

Sultana, 30, became a widow when she was 28 years old. With a young son to care for, she was very uncertain of her family's future and livelihood. As her late husband had a small piece of land that he used to harvest mostly rice, her in-laws encouraged her to take over the farming. She purchases inputs from local input retailers on partial credit and settles the payment after selling her harvest. However, due to a recent flood, she lost all of her harvest this season and is now thinking of taking a loan from a local microfinance institution at a very high interest rate to pay off her lenders.

Some Challenges:

- » Most of Sultana's earning is spent to cover her family's expenses, and therefore she has limited savings, making her vulnerable to financial shocks.
- » Since Sultana does not transact using any formal financial services, she is not eligible to apply for small loans offered by banks or financial institutions at lower interest rates.
- » Often Sultana is left with no other choice than to buy inputs at a higher price, as she purchases on credit from the input dealer, who also pushes her to only buy the inputs he wants to sell. These are not always the inputs that Sultana wants, but she has no other choice but to accept.

Possible Solutions:

- » Development organizations can provide trainings related to agro-input and DFS topics, which will enhance Sultana's skills. They could also create illustrative guidelines to explain how features work. Through the USAID AIN project, WorldFish developed *mobile money training flipcharts* written for rural farmers who may not grasp complex terminology. It is brief and large to help trainees remember content more easily and filled with illustrations to help farmers with limited literacy grasp how to send money, cash out and check balances.
- » DFS providers could use interactive voice response (IVR) to deliver relevant content and assist with access to their services, thereby helping to reduce challenges Sultana faces from low literacy.
- » She could be introduced to making transactions using MFS or agent banking, which can be used by banks to assess Sultana's financial behavior. In that way, it will help Sultana to establish a formal financial history, which may be helpful for applying for agricultural loans in the future.



SCENARIO 3: THE STORY OF RIZWANA

Rizwana, 25, moved from Chittagong to Dhaka, to study architecture at Dhaka University. She resides in the university dormitory and her father sends BDT 30,000 per month for living and other expenses via bank transfer. She is moderately financially literate and uses her debit card frequently, however, her banking transactions are usually limited to making payments and receiving the allowance. Her father helped her to open the bank account and filled out all the necessary documents for her.

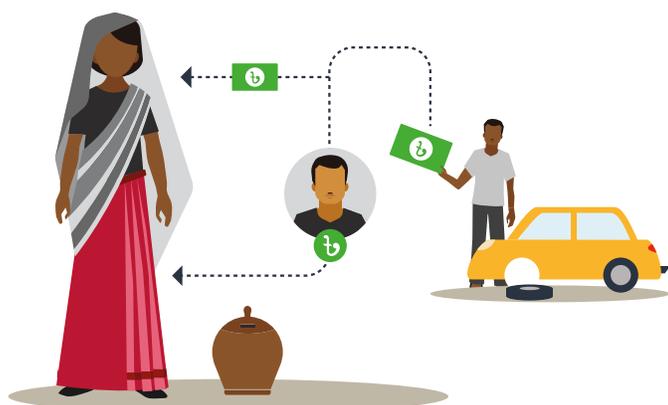
Possible Solutions:

- » Rizwana does not have a proper understanding of other products and services the bank offers.
- » Rizwana is unsure of the current bank interest rate or the process to open any new schemes or accounts.

Possible Solutions:

- » Create illustrative guides to explain how features work using informal language popular with younger Bangladeshis.

- » Relevant stakeholders could invest in financial literacy and awareness programs or campaigns catered to the urban crowd such as Rizwana, where they could highlight other relevant features of digital financial services - utility payments, insurance, deposit premium scheme (DPS), etc.
- » Providers could deploy relevant data to evaluate customers such as Rizwana's needs and reflect those in product design and promotion. Examples include loyalty programs and saving schemes.



SCENARIO 4: THE STORY OF RASHEDA

Rasheda is 21 years old and the mother of a one year old boy. She lives in a village at Satkhira with her conservative mother-in-law. Her husband, Rezaul, works in a car workshop in Dhaka and earns about BDT 10,000 monthly. Since Rezaul is the only income earner of the family, he sends a significant portion of his money to his family through his personal contacts and at times, he hands over the money during his visits home. Rasheda has recently purchased a clay money box and has started saving up for a rainy day.

Possible Solutions:

- » Traveling to her husband's friends or inviting them to come over to her residence to receive the money is uncomfortable in the conservative setting and causes travel hassles, such as the cost and the time associated with the travel.
- » Transferring the money can take more than two days' time. In addition, collecting the money from his friends also consumes time.
- » There is a potential risk of losing the money through theft or loss from natural disaster.

Possible Solutions:

- » Both Rasheda and Rezaul can be introduced to MFS, which will reduce reliance on others to carry cash and will also ensure financial confidentiality.
- » Rasheda can be introduced to saving schemes and micro-insurance programs, such as life insurance, which could be accessed through state owned corporations or life insurance companies.

ILLUSTRATIVE MFS PRODUCTS AND SERVICES FOR WOMEN IN BANGLADESH

In 2016, bKash (BRAC Bank Limited) launched a partnership with the Agro-Input Retailers Network to onboard 100 rural women retailers as bKash agents. This service offers an alternative to prohibitive but prolific male-dominated markets throughout the country.²¹

Dutch Bangla Bank Ltd in 2013 launched an initiative called Infolady which was implemented by Dnet. Under this initiative, Dnet's women health workers were hired as DBBL's agents. Learn more at: <http://dnet.org.bd/page/infolady>

IFC recently developed two specific DFS product concepts that are designed to meet women's financial needs – a recurring savings deposit product and an emergency loan product. They have introduced these product designs to many of the MFS providers in Bangladesh, and several of which are planning to pilot test these products. The savings product will enable women to save money in an MFS account where it will earn interest as well. The loan product will primarily enable women to access short-term emergency loans via their MFS account. IFC has also developed a Women Agent Acquisition Toolkit, which will help MFS providers identify and train women as MFS agents. For more details on either of these, contact Takreem Riwan Siddiqui at tsiddiqui@ifc.org.

²¹ <https://www.bkash.com/news/bkash-joins-hands-usaid-funded-agro-input-retailers-network-increase-incomes-rural-women>

Training and Awareness



Training and Awareness

It is fundamental to note that financial inclusion is difficult to achieve without financial literacy. Globally, a multitude of financial literacy programs have been implemented, but there is no 'one size fits all' model. Resources must be relevant to the potential audience. Simply translating resources from one language to another is insufficient. It is very important that learning resources resonate with local experiences and socio-economic factors.

Human Centered Design (also known as user design, or participatory design), is the practice of designing tools together with the users, instead of for the users. It involves research, idea generation, prototyping and deployment. If you want to develop and/or facilitate effective trainings that resound with your target audience, it is worth undertaking this process - it will offer great insight into what your target audience wants and needs. By investing in HCD, stakeholders can engage, understand and find innovative ways to bring unbanked women into formal financial services, appealing and speaking to much more specific community groups.

Figure: The Human Centered Design Process



Inspiration

Uncover and articulate the needs of the people for whom you are designing



Ideation

Create prototype and refine solutions with customers



Implementation

Bring your solution to the community

Reference: <http://www.designkit.org/human-centered-design>

HCD Applied in Practice

BRAC worked with GRID Impact to design a program called Mobile Apa that “provided training to influential female community members in the use of bKash and positioned these women as mobile money evangelists, troubleshooters and experts in their communities.”

The Process:

INSPIRATION



The inspiration phase of the project included a two-week design sprint aimed at increasing the enrollment and usage of mobile money by female community members. At the same time, they conducted a two-week workshop training of BRAC staff on how to use behavioral design in their programs throughout BRAC. They also spent a few days in the field with rural BRAC clients to use participatory research and design methodologies to uncover specific insights of mobile money.

IDEATION



This was a lightning fast phase in the project, one that leapt from learnings from the inspiration phase. BRAC staff came up with a few prototypes, each of them addressing specific behavioral challenges that were uncovered in the inspiration phase. The teams then went back to the field to get user feedback and then further customize the prototypes accordingly.

IMPLEMENTATION



Once they arrived at the right design, they designed the program called Mobile Apa.

Read more: <http://www.gridimpact.org/works/developing-mobile-auntie-program/>

Language plays an important role. English language phone menus can be a real obstacle for women, so training content and materials should be developed in their native language (i.e. Bangla). In addition, pictorial or multimedia material can be more user-friendly and easy to comprehend for women with limited literacy.

Likewise, financial and numeric literacy is an important factor to consider. Multiple studies, including a [savings group assessment conducted by mSTAR/Bangladesh](#), have found that many women in Bangladesh have numeric literacy although they are not formally financially literate. Technical literacy is also an issue to be aware of when thinking through training; in

Bangladesh, many rural women are unaware of different phone features. To introduce women to formal banking services like DFS, illustrative ‘how-to’ materials may be useful, drawing on other women’s financial journey stories.

It is important to consider what already exists in terms of training materials - there are many out there around digital and financial literacy. These materials can be tailored to better appeal to groups of women, avoiding additional or duplicative work.

Did you know?

Together with WorldFish, mSTAR/Bangladesh worked with farmers living in remote areas of Bangladesh without bank access, to develop [illustrative training materials](#). The farmers’ limited education and lower literacy levels had previously created challenges in understanding the USSD menus offered through MFS.

Illustrative Digital Literacy and Financial Literacy Resources

- Helping Women Get Online (www.hwgo.com) is a Google powered platform of step-by-step videos by women, for women in India designed around technological buckets, including smartphones, apps, and the internet.
- [Intel She Will Connect Program](#) was launched in 2014 after Intel’s Women and the Web report documented the access discrepancy experienced by 2, 200 women across Egypt, India, Mexico, Uganda. The program modified Intel’s Learn Easy Steps digital literacy curriculum to meet the needs of women living in the program’s four pilot countries: Kenya, Nigeria and South Africa.
- [University of Washington’s Mobile Information Literacy Curriculum](#) consists of six modules that focus on the access and usage of mobile phones, tablets, and smartphones by those in the developing world.

GUIDELINES FOR BUILDING A TRAINING CURRICULUM



Keep it light on text | It is important to understand the literacy rate of the targeted women segment and where literacy is low, keep the learning focused on activity and non-text explanation. Do not lean on text heavy materials, as this may isolate future users and lead them to believe that successful DFS usage depends on high levels of literacy. Images and illustrations can allow participants to engage with the content more easily.

Tips ▶

Always use local content, including pictures that looks like your target group so that it is easier for them to relate to.



Design the curriculum in an interactive way | Think of some common scenarios that your target audience can relate to. Humor and games keep people engaged and alert. Don’t hesitate to use jokes, funny examples or stories to highlight your point. Where people are learning things for the first time and will need to repeat the task multiple times, cheat sheets or printouts of step-by-step instructions, can be very useful. If possible, keep them pocket-sized.

Tips ▶

For ongoing learning, a mentor system can be useful - where a more experienced user partners with a new user, allowing a more comfortable environment and trusting relationship to form.

Tips ▶

Always ensure that there is opportunity to let users practice what is outlined in the materials using DFS when there is a facilitator around to offer guidance - not just when they get back to their home. They need to be able to try, fail, and seek guidance as to where they went wrong while there is someone to help them in the room.



Use case studies to explain your point | Using case studies allows the targeted audience to think more critically and understand the topic better. Case studies and scenarios will help the audience to relate more directly to the use cases, as well as help them compare the advantages of digital financial services over cash.



Factor in a buddy system | Particularly if the group is shy, pairing people together can ease the burden/embarrassment of not being familiar with new ideas.



Mix it up! | Keep it varied: this might mean a combination of active (games) and passive (listening) activities, it could mean group and individual work, or it could mean using different facilitators. Whatever best suits your audience, make sure it isn't monotonous.



Have a female facilitator | It is important to have a female facilitator but also ensure that any other staff (facilitators, notetakers) are also female. Since culturally in many contexts in Bangladesh men have more authority than women, female participants may feel less confident sharing information, and any male presence may impact their participation.

GUIDELINES FOR FACILITATING A TRAINING

Create a friendly environment

When you are conducting a training with women, it is very important you ensure that the environment where it will take place is welcoming, and that the women feel comfortable sharing (sometimes) sensitive information.

Use ice breakers

Allow plenty of time to build rapport and make everyone feel comfortable at the start of the session. You should factor a round of introductions, whether you go around the room, allowing each person to state their name and one 'fun fact' about themselves or one-on-one introductions to someone they don't know in the room. This will help ease any tension experienced at the start of a session.

Bring in props

Bringing in props can not only assist explanatory and learning efforts, but it can also lighten the mood and encourage greater interaction amongst participants.

Always remember

- Be friendly
- Be creative
- Speak clearly
- Encourage action
- Encourage interaction
- Listen carefully
- Create a safe place

Tips ▶

Make sure that you understand the specific context of the training location and participants, and can provide provisions to spur participation (e.g. child care).

Be aware of timing and select a culturally appropriate and convenient space

Make sure that the training is held somewhere culturally appropriate and convenient, where the women in the group will feel at ease. Timing is important to consider; you should hold the training at a time and length that suits the women you are reaching out to, so that it does not disrupt their routines. Not taking this into consideration could mean that the women are too distracted to fully participate in the training. For example, trainings in the evening may make it particularly difficult for those with household responsibilities to participate, or be too far for them to travel.

TRAINING MATERIALS AND RESOURCES THAT WE RECOMMEND

GSMA	<i>Designing and Delivering Training for Money agents.</i> This guide highlights the importance of training agents and also how to train them.
FSD Kenya	<i>Building financial services that matter to low-income women.</i> This report explores why it is more difficult to serve financially excluded women than other population segments. It highlights the barriers to serving women and provides some ideas on how to more effectively serve the women segment.
GSMA Connected Women	<i>GSMA Mobile Skills Toolkit.</i> This curriculum was designed for women in Papua New Guinea, however it also includes a guide on how to adapt these materials for other audiences.
GSMA	<i>Mobile Internet Skills Training Toolkit.</i> This guide provides tips and exercises for facilitating trainings to improve people's basic knowledge and understanding of mobile internet.

**Guide to Increasing Women's
Financial Inclusion in Bangladesh**
THROUGH
Digital Financial Services

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