

New SIFTA initiative for Microfinance and Social Enterprise sectors in Europe and its importance to women-led financial and non-financial services

Luxembourg, 16.11.2022, 3.30 – 4.30 PM



Agenda

1. **Setting the stage – data about financial services and non-financial services to women**
2. **What it takes to become a gender-smart FSP, for MF and SEF?**
3. **How this can be reached taking into account valuable lessons learnt (From EU and Sub-Saharan Africa)?**
4. **SIFTA to increase access to financial services and non-financial services to women**
5. **Q&A**

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Big Picture - Female Financial Inclusion

740 million women
(54% of the unbanked)
still do not use or have
access to the financial
system

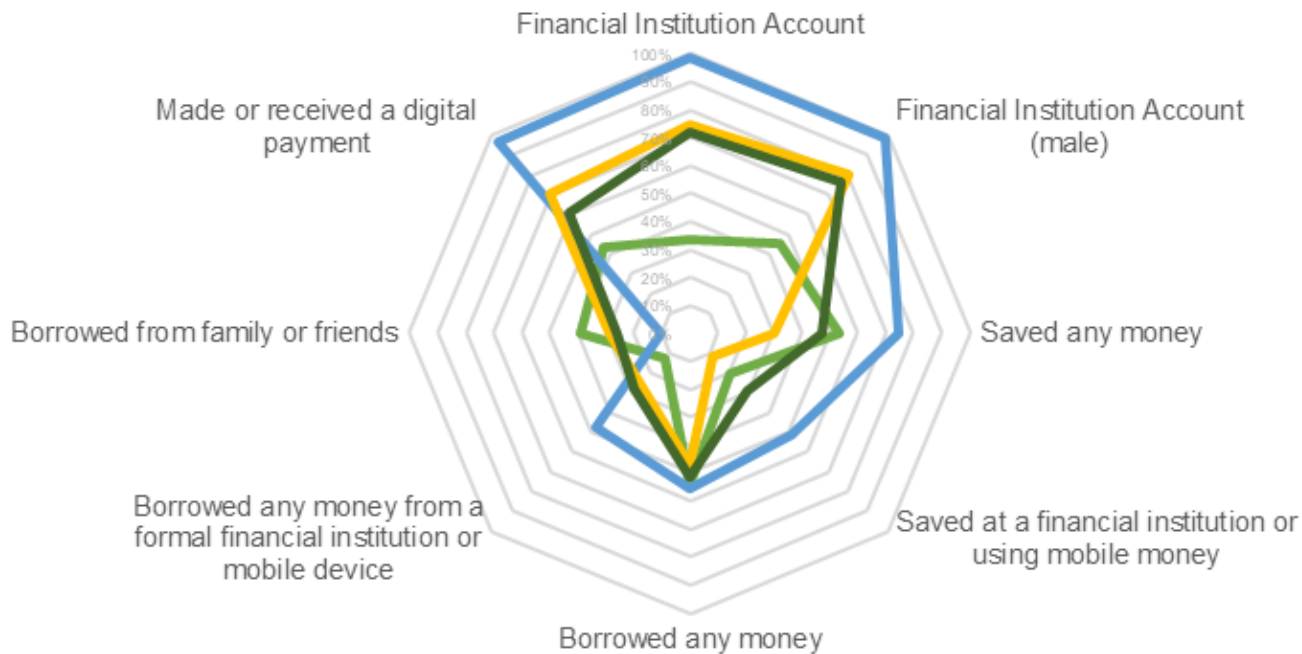
Almost
**40% of women-
owned MSMEs** have
inadequate or no
access to financial
services.

Worldwide, there is a
\$126 billion gap in
financing for formal
women-owned micro
businesses (\$1.5 trillion
for MSMEs)

Sources: Worldbank Findex (2021) and IFC (2018/2019)

Financial Inclusion Trends, Female Population of 15 Yrs +

SSA Euro area ECA region Global



SSA	ECA region	Euro area	Global	
34%	74%	98%	72%	Financial institution account
46%	80%	99%	76%	Financial institution account (male)
54%	30%	75%	47%	Saved any money
21%	12%	51%	29%	Saved at a financial institution or using mobile money
54%	47%	56%	51%	Borrowed any money
13%	25%	48%	28%	Borrowed any money from a formal financial institution or mobile device
39%	29%	10%	26%	Borrowed from family or friends
44%	71%	97%	61%	Made or received a digital payment

Source: Worldbank Findex (2021)

MSMEs in the EU

23 million MSMEs represent more than 99% of all European non-financial corporates

MSMEs employ 83 million people and account for 64% of total employment

MSMEs generate close to 52% of total gross value added

In 2021, out of 25 million self-employed persons (own account workers) in the EU-27, only 32.8% were women.

Source: European Commission 2021

Why Are Women MSMEs Interested in Non-Financial Services?

Women MSMEs

- Seek ample information before making a decision;
- Often had less opportunity to access education due to prevailing social norms;
- Feel less skilled, particular when it comes to financial and managerial skills;
- Are less networked than men.



Source: The Atlantic. [The Confidence Gap](#), 2014.



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THE ROADMAP / MILESTONES TO BECOME A GENDER-SMART INSTITUTION



Strategic alignment
and business fit



**Gender smart
product and
service
development**



**Marketing &
Positioning**



**Institutional
Alignment**
(Lending policies and
procedures, digital
channels etc.;
gender mainstreaming
in HR policies, Capacity
Building)



**Monitoring &
Evaluation**

**Impact
Assessment**

STRATEGIC ALIGNMENT – BUSINESS FIT



Strategic alignment	
Objective	Understand readiness towards gender finance/ investing in women
Activity	<ul style="list-style-type: none"> ▪ Strategic alignment: is there a strategic fit with the FI strategy? ▪ Internal data analysis ▪ External data analysis

- What are the institution's key priorities?
- How will investing in a Women's Market program fit within the strategic priorities?
- What are the unique qualities/differentiators to successfully implement a Women's program?
- What do we know about our competitors?
- Are there enabling regulations or policies that would push for or hinder the women's market program?
- Who else is committed to this topic – potential ally, collaborator?
- Are we able to disaggregate our data by sex?

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Gender smart
product and
service
development

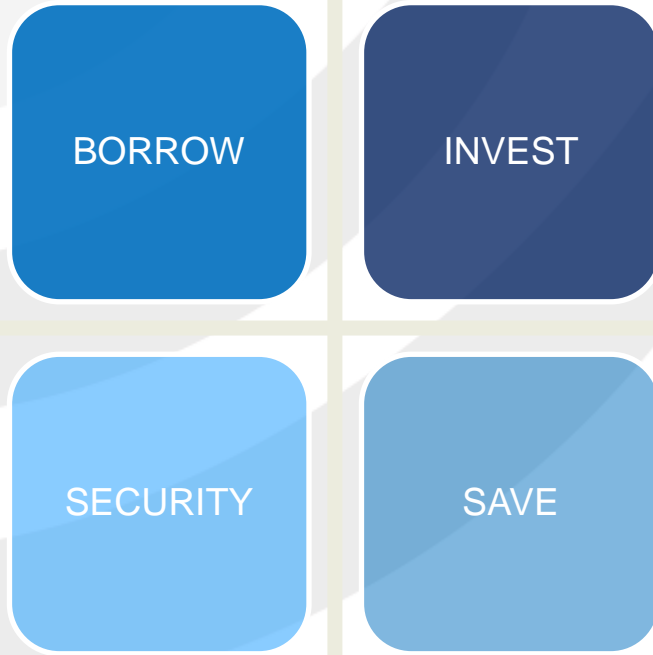


A Customer Value Proposition is not a description of products. It is a solution focused holistic approach for meeting women's needs

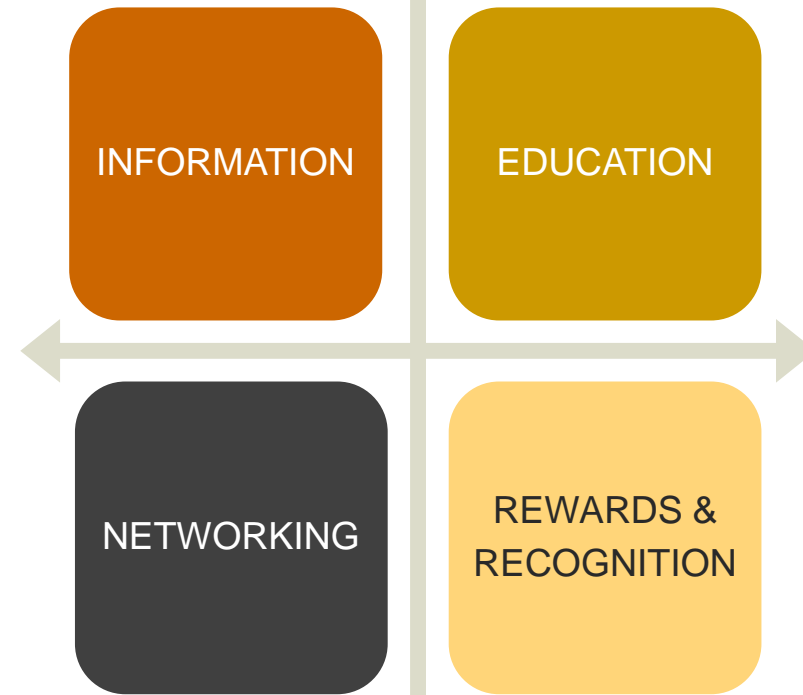
- Which segment/s of the women's market do we want to target?
- What drives these women customers? What is important to them?
- What is missing to optimize/ make the goals happen?
- What are the 'pain points' to address in terms of existing products, services and processes to serve her?

DEVELOPMENT OF SOLUTION INCLUDING FINANCIAL AND NON-FINANCIAL SERVICES

Financial Offering to meet



Non-financial Offering: to provide access to



RELATIONSHIP - PARTNER FOR MY BUSINESS

DEVELOP TAILORED SOLUTIONS FOR WOMEN SME SEGMENTS

Persona Profile: synthesis of learnings

The “Survivor”

- Belongs to multiple women groups
- Holds a bank account just in case payment is in cheque, remittance
- Not an engaged tech user
- Trusts women groups for financial and emotional support

The “Aspiring” Struggler

- Small enterprises
- Owns a single business
- Pursuing a better life for children and herself
- Savings accounts
- Belongs to a women's group
- Funds insufficient for her needs
- User of social media and some digital experience

The “Progressive”

- Mainly medium (high revenue) business segment
- Single or multiple businesses
- Engaged tech user - uses mobile banking
- They are banked
- Opportunity seeking and driven
- They have a clear growth plan
- Looking for tailored solutions and NFS

THE ROADMAP / MILESTONES TO BECOME A GENDER-SMART INSTITUTION



Marketing and
positioning

Main objectives

- Increase visibility by developing a marketing and visibility strategy to reach women, women SMEs
- Enhance internal buy-in and sensitization on being gender smart

THE ROADMAP / MILESTONES TO BECOME A GENDER-SMART INSTITUTION



Institutional
Alignment

What adjustments need to be made regarding

- **Organizational structure: Women Champion / Women Financial Services desk**
- **Risk Management, Credit Policies and Processes**
- **Delivery channels**

THE POWER OF DIGITAL SOLUTIONS AND ENGAGEMENT

Digital channels are considered key to overcome women's time and mobility constraints due to their double burden of business and family responsibilities



Institutional Alignment

Digital Banking

Enhance digital user experience

Digital onboarding for loans, deposits etc.

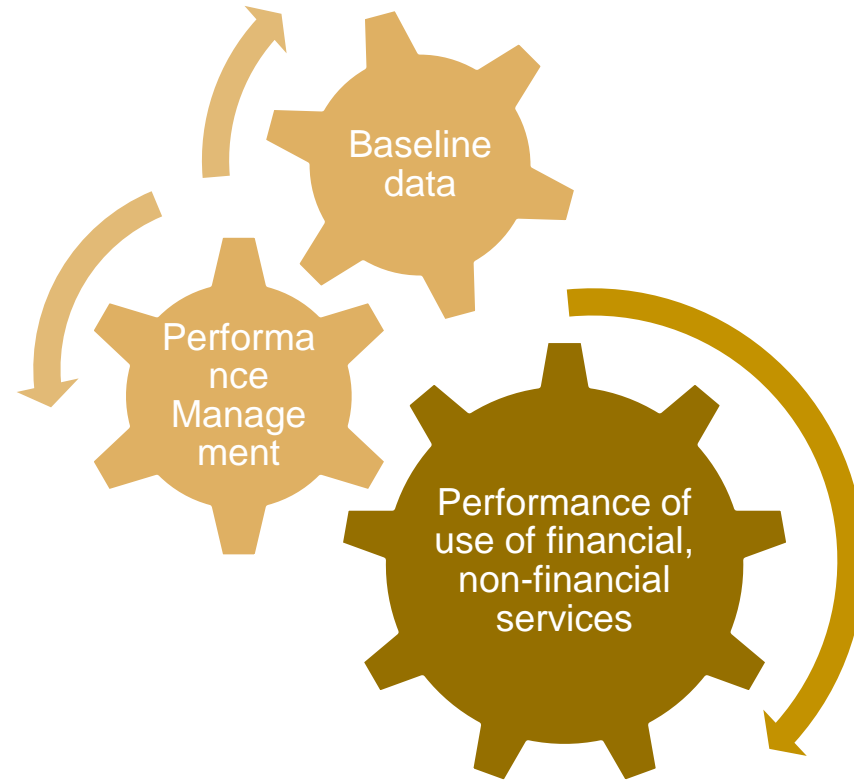
E-commerce payment platforms

Digital literacy to build skills and enhance usage

THE ROADMAP / MILESTONES TO BECOME A GENDER-SMART INSTITUTION



Monitoring and Evaluation



In a Nutshell: Key aspects and lessons learned to be gender-smart establishing a sustainable women finance programme

- 01 Buy-in of top management and Fit to the business strategy
- 02 Dedicated Women Finance Team (Women champion) to drive the focus, implementation
- 03 Product Development addressing women's needs and challenges
 - Bundled solution of financial and non-financial services as holistic approach to HER
 - Non-financial services as an integral part of the offer to enhance women empowerment
- 04 Gender-sensitive marketing and communication strategy (no pink washing)
- 05 Gender awareness training to all staff, particular to sales and credit team
- 06 Sex-disaggregated dashboards and reporting

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Experience from Western-European MFIs - members of European Microfinance Network

- The challenge is at society level – only 33-40% of the business creations come from women – why?
 - Women have a lower risk; take lower loan amounts; are better trained; go step by step
- What barriers are they facing?
 - ACCESS TO FINANCE
 - WORK / LIFE BALANCE
 - LACK OF SELF-CONFIDENCE
 - LACK OF SUPPORT FROM THE ENTOURAGE
 - SEXISM

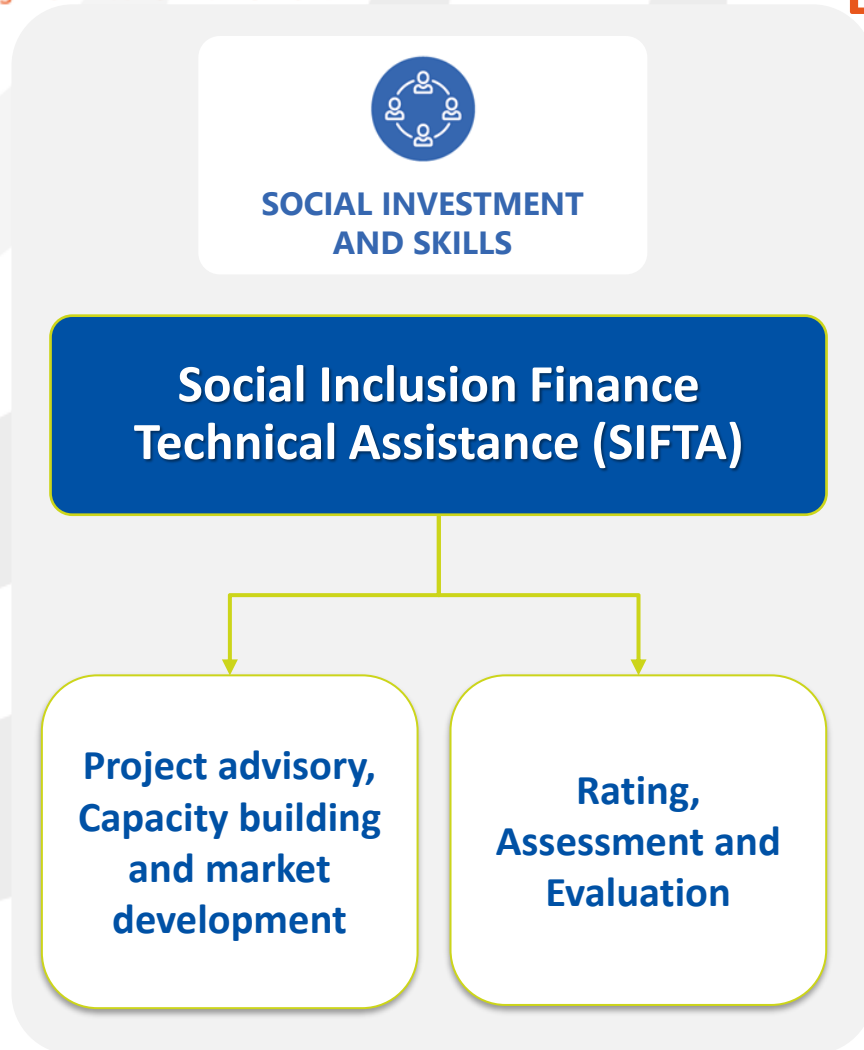
What actions to put in place?

- Audit exercise to identify the areas to work on
- Dedicated campaign to reach out to women entrepreneurs, embedded in a general inclusive communication
- Training and Awareness raising for staff & coaches
- Adaptation of questionnaires to project promoters !! (equal treatment)
- Gender-balance within the staff, management team and coaches
- Gender Pay-gap analyses, HR procedures
- Dashboard for monitoring

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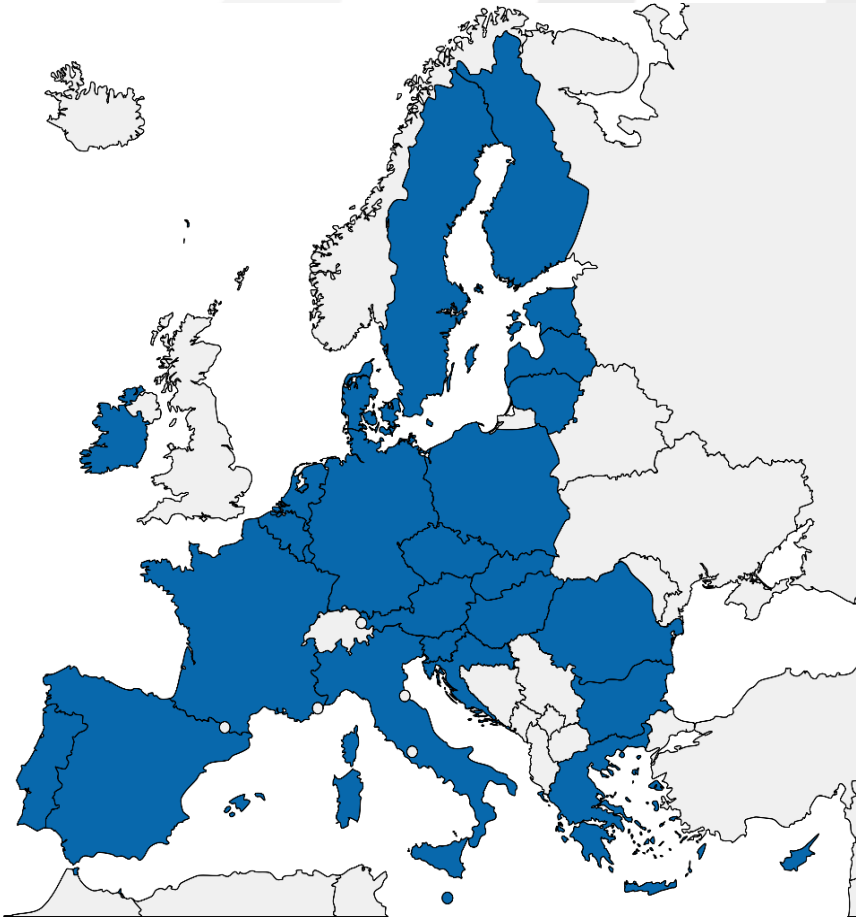
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SIFTA - Reinforcing the EU Microfinance and Social Enterprise Finance Sectors



- EIB is in charge of managing the SIFTA initiative which provides **targeted capacity building, project advisory** and **market development support** to financial intermediaries active in the microfinance and/or social entrepreneurship spaces
- **Continuation and enhancement** of the EU Programme for Employment and Social Innovation (EaSI) Technical Assistance

SIFTA – What We Bring Together



Geographical eligibility | **EU-27**



Timeframe of the initiative | **Initial budget available until December 2024**



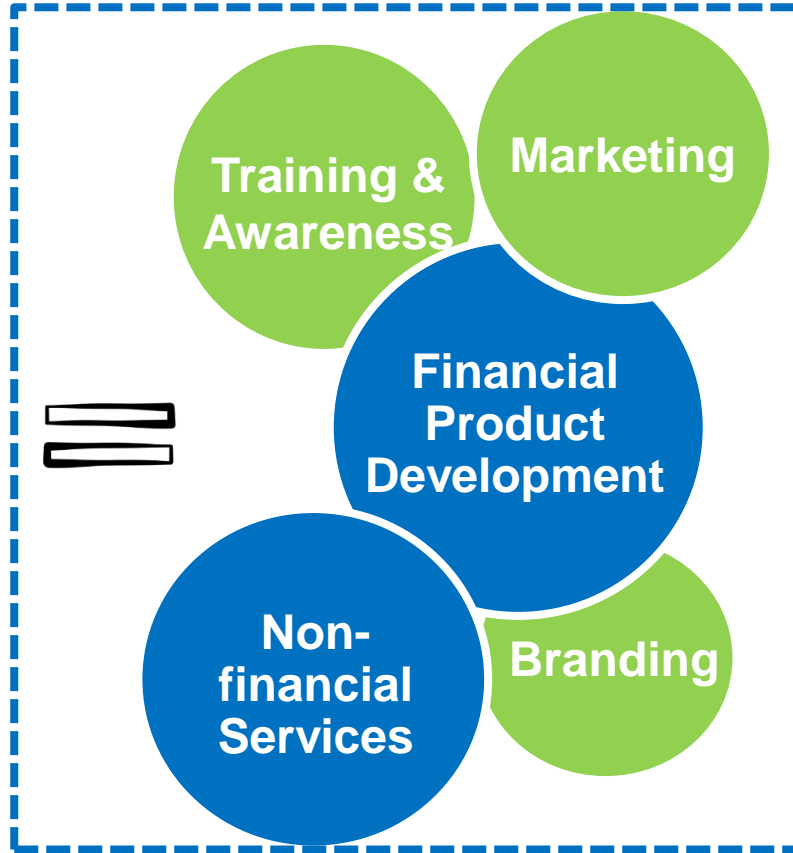
Beneficiaries | **Microfinance providers** such as banks and non-bank microfinance institutions & **social enterprise finance providers**, such as investment funds, impact investors, incubators, accelerators (among others) that offer or are in the process of widening their scope with a view to providing accompanying financial support to social enterprises.

How can SIFTA support the EU Microfinance and Social Enterprise Finance Sectors?

**Institutional
Analysis**



**Market-
based
Assessment**



SIFTA – Services Provided

Targeted Capacity Building and Technical Assistance Services

- » **Tailored Trainings** and Investment-readiness Trainings
- » **Workshops**
- » Trainings / Coaching on the Code of Good Conduct for Microcredit Provision
- » **Peer-to-peer trainings and Study visits**
- » Portfolio Analysis & Pipeline Building

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Rating, Assessments and Code Evaluation Services

- » Institutional Assessments
- » Optional Financial / **Social Ratings**
- » Evaluation of compliance with the EU Code of Good Conduct for Microcredit Provision
- » **Impact Assessment, ESG Assessment**



SIFTA – Get In Touch With Us



Information about SIFTA Services can be found here:
[Social Inclusive Finance Technical Assistance \(SIFTA\)](#)
[\(eib.org\)](#)



Applicants of microfinance and social enterprise finance providers can apply for specific SIFTA services by sending EIB an email at sifta@eib.org



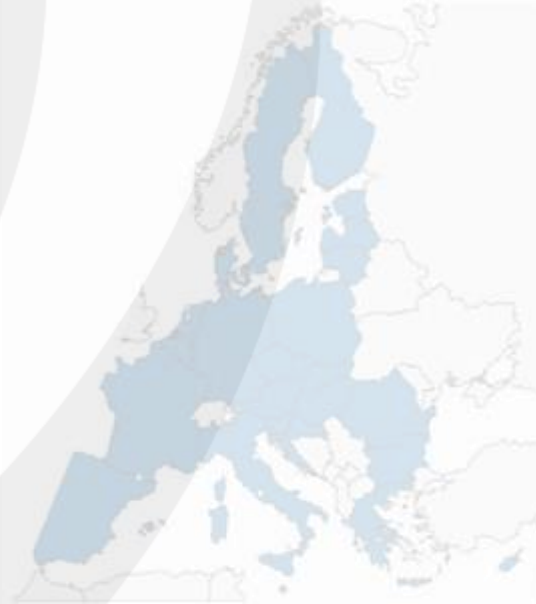
A *Request for Services* template will be sent to the beneficiaries to formally apply to the specific services.





Q & A

Merci



SIFTA – Social inclusive finance technical assistance

For more information, about:

Project Advisory, Capacity building and Market Development services, contact:
sifta.support@fs.de

Rating, Assessments and Evaluation services, contact:
sifta.support@mf-rating.com

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