



Accessibility


Distance from bank/FSP/CICO agent


This barrier refers to the issues of the geographic locations of points of service. Points of service are often close to roads or clustered in areas of economic activity rather than closer to women's communities. This barrier can also include the cost of time and money to travel to points of service.


Why is this barrier important?

Financial service access points outside of urban/peri-urban areas are often limited or unavailable. The limited number of access points disproportionately affects rural women due to domestic responsibilities that limit both their available time and physical movement beyond the house costing them time and money for transportation. This is particularly prevalent for women in Segment 1 because they do not live close to a financial service access point.

Connected Barriers

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Cost
Cost of using DFS (incl. transaction cost)
Perceived and/or lack of money
- 

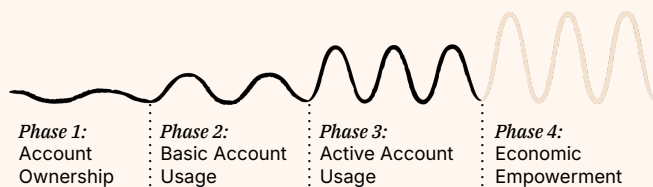
Product & Service Quality
Lack of products that meet women's needs
Reliability and quality of in-person services
- 

Social norms
All barriers in this category

Most Relevant Segments

- | | | | |
|---------------------------|-----------------------------|--------------------------|------------------------------|
| 1 | 2 | 3 | 4 |
| Excluded, marginalized | Excluded, high potential | Included, underserved | Included, Not underserved |

Customer Journey Relevance





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Key evidence relevant to this barrier

- Financial diaries suggest that women tend to transact within a narrower geographic range than men, which is largely due to women having less free time than men on average. It may partly reflect restrictions on women's freedom of movement ([Zollman, 2016](#)).
- MFS in urban areas of Bangladesh are about one kilometer from women and take 7 minutes to reach. In rural areas, however, the median time increases to 10 minutes with 24% of users required to take public transportation to reach CICO agents ([World Bank, 2018](#)).
- In Peru, 28% of women cited distance from a financial institution as a barrier compared to only 18.7% of men ([AFI, 2016](#)).
- "Over 50% of adults in Indonesia do not own a financial account, and one third cite the distance they have to travel to a bank branch as the reason they are unbanked." ([CGAP, 2019](#)).
- 15% of Zambians with no formal accounts cited distance ("too far away") as the main reason for not having an account ([World Bank, 2017](#)).
- For low- and lower middle-income economies, the number of commercial bank branches per 100,000 adults and ATMs per 100,000 adults have remained stable at 12 banks and 23 ATMS respectively over the past few years with only a slight increase in 2020 ([IMF, 2021](#)).
- CICO agent set-up costs are 39% higher in rural frontier locations compared to typical agents in more urban areas. Dedicated rural CICO agents must make at least 11 transactions per day to breakeven which is a challenge ([BCG, 2020](#)).
- A study in Chile, Malawi and Uganda found that bank accounts were largely unappealing to rural unbanked households, even when the accounts were completely subsidized. In Malawi and Uganda, distance from the bank was correlated with usage of bank accounts meaning the—
—farther away a person was to the bank, the less likely they would be to either use or open an account ([Dupas et al., 2011](#)).
- In Sri Lanka, a program provided participants with new mobile-linked deposit functionality with their bank accounts to enable remote deposits. Funds could be deposited without a transaction fee. The intervention led to a **44%** increase in the amount of total savings deposited to the partner bank. **Women who were located far away from branches were the most likely to use the service.** The study revealed insights on the preferences of women around services that help make life easier, as they are more likely to lack mobility and need smaller more frequent deposits (in Sri Lanka). Women were 8% more likely to try this product than men ([de Mel et al., 2018](#)).
- The Madagascar Financial Inclusion Project by WBG Operations targeted teachers' salaries and student scholarships in Madagascar. Demand among teachers was high because DFS reduced the distance they had to travel to deposit money, which was more secure and saved time (~two days per month). However, notable challenges included the cost of digitization and the lack of access points in remote areas (Delort, Dorothy. World Bank Group, 25 Mar. 2021. Webinar.).
- In 2013, 60% of Liberia's 75 bank branches were in the most populous county (home to the capital). The lack of banks in rural areas combined with the cash based economy caused rural teachers to spend over 18% of their monthly salaries on travel and related costs to collect their salaries from banks ([USAID, 2016](#)).



Exemplar

Empirical Evidence from Uganda on the Impact of Mobile Money on Rural Households

Recent studies have shown that over 70% of Ugandans own a mobile phone, with a lower penetration in rural areas (around 65%). This study however focuses on rural Northern Uganda, which is more underserved, with only 27.6% of households possessing a mobile phone. In addition, MTN is the most popular service provider where it has almost become a monopoly, especially in rural areas. This is why, in the framework of the program studied, IFC collaborated with Airtel Money: to increase competition (meaning lower prices), and to increase the penetration of mobile money in rural communities.

The areas included in the study have “high poverty rates, as well as low access to financial services, with a median distance to a bank branch being 25.2 km.” The study aims to analyze whether introducing mobile money agents can affect accessibility and the households’ financial behavior and to understand if these areas are *simply* “too remote and too poor to benefit from mobile money, or if mobile money would increase savings and remittance receipts.” (World Bank, 2019).

Key Activities

The International Finance Corporation (IFC) collaborated with Airtel Uganda in the aims of measuring the impact in a field experiment of mobile money in poor, remote areas in Northern Uganda where “334 clusters of enumeration areas were assigned to a treatment or a control group, stratified by distance to a bank branch.” In 46% of the clusters (in the treatment groups) at least one Airtel Money agent was deployed.

- Rollout of 370 Airtel Money agents—who were identified by a professional services firm that also provided with equipment, training and marketing materials—in treatment clusters between January and June 2017.

Outcomes/results

To correctly identify the impact of mobile financial services, the study used the SWIFT approach – a rapid poverty assessment tool which compares data on households in the treatment group to typical consumption, income, welfare.

The agent rollout increased mobile money usage in the treatment group by 4.2% in clusters that were far from bank branches. There was no statistically—

—significant impact on clusters that were near bank branches. This suggests that there is demand for mobile money in remote areas if services are made available.

The effects on receiving or sending money via mobile money (as opposed to other channels, such as hand carrying the money) are positive for clusters far from a bank branch, but they are not statistically significant.

Furthermore, the agent rollout increased the probability of not having to pay transportation cost for receiving money by 13%, even though this did not translate into increased frequency of receiving or sending money.

Key enabling environment factors for intervention

Mobile money and other Digital Financial Services have gained popularity and acceptance in Uganda, especially due to its usage in sending remittances.

Another enabling factor was the willingness of various stakeholders to engage in partnerships targeting financial inclusion:



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- The government's commitment to the issue highlighted by the Uganda National Financial Inclusion Strategy 2017-2022
- Airtel has gained visibility and legitimacy from IOs like UNCDF, which has supported similar projects

Key design elements and principles that led to successful outcomes

Airtel Money relied on an external professional services firm to identify potential agents. This firm already had a detailed database of businesses that could be approached based on information about the number of employees, type of business, annual turnover, proximity to closest bank branch, and business used mobile money before. This saved a lot of time and effort from Airtel's side, especially as the firm also helped with the logistics of recruitment and training as well as provision of marketing materials.

Potential for scale/replicability

In countries where mobile money is a prevalent means of financial service, agents have a crucial role in accessing underserved populations; in fact, in over 80% of these markets, agent outlets outnumber bank branches. Agents are cost effective and overall efficient in reaching rural populations (GSMA 2019).

Challenges encountered during the program

As the program was implemented a couple of years before the study was conducted, the authors couldn't effectively measure long-term impacts of the agents rollout, and thus observed no impact of higher financial inclusion on poverty levels.

The data used to determine the impact of the program was not always straightforward; to measure the change in transactions, the authors obtained data from Airtel, which they had difficulty mapping to the clusters identified previously. The transactions were associated with a phone number, yet there was no information on the owner's identity and their location, which could only be approximated by the location of the cell phone tower used. This could have tampered with the results, so they tracked the phone numbers given by participants in the surveys.

Additional Exemplars

- Mobile Money Cash Transfer Experiment in Niger
- Interest Rate Sensitivity Among Village Banking Clients in Mexico
- Benazir Income Support Programme
- Mobile-Linked Bank Accounts
- Women Citizenship Initiative
- The Impact of Incentives and Transparency on Usage of New Financial Products in Indonesia
- BETA Savings Account in Nigeria
- Self-Help Group Members as Banking Agents for Deepening Financial Inclusion in India
- The Impact of a Formal Savings Intervention in Sri Lanka