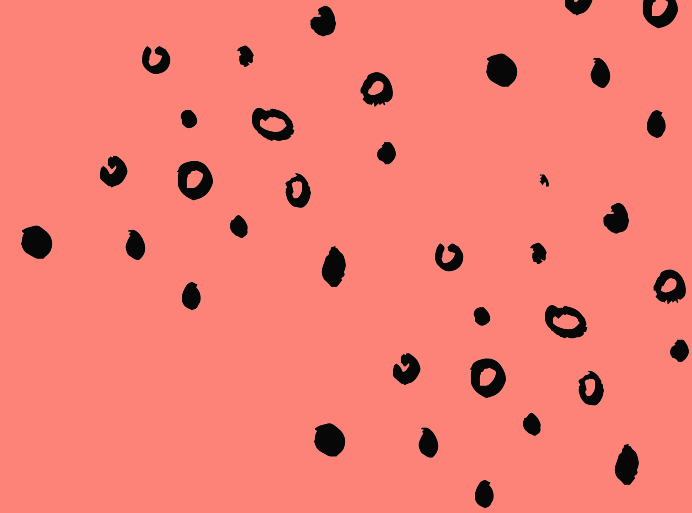


Nigeria

IFS Focus Country Comparison 2017 & 2021 Analysis



Project Overview

The goal of this work has been to **examine a set of barriers inhibiting women's access to and usage of financial services**. We seek to determine **which barriers are most resonant to different segments of women in different markets** and to **make recommendations about** the kinds of **interventions** that could address them.

Ultimately, **our goal is to remove barriers to women's economic empowerment in the financial inclusion arena**.

IFS' WEE-FI Vision Statement

By 2030, women will have near ubiquitous (80% adults worldwide, 60% of those who earn <\$2 a day), equal access to DFS, and can easily, safely, and confidently use them to manage their complex daily lives and aid in their aspirations, over which they have agency and control.



The general sentiment is that *many barriers contribute to an inequitable financial system* that makes it difficult for women to access and use services and products in ways that will allow them to *achieve economic empowerment*.

All barriers are *important* and play a role in a woman's lack of ability and access to choose and use a financial product or service.



Ultimately, our intention was to try to help focus efforts in each market as we asked the following question:

Can we identify barriers that are relevant and not yet resolved so program officers and partners can *center their programs and interventions on critical issues* facing women?

Full List of Barriers (1 of 2)



Prerequisites

Broader legal constraints
(e.g. male signature)

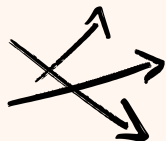
Internet/Mobile connectivity

KYC requirements

Lack of credit history
(for credit products only)

Digital/Foundational ID

Phone/SIM ownership



Accessibility

Mobility constraints (e.g.
legal curfews, norms)

Distance from bank/
FSP/CICO agent



Cost

Cost of mobile/internet

Cost of using DFS
(incl. transaction cost)

Perceived and/or
lack of money

Non-transparent fee
structures / hidden costs



Information Availability & Capability

Lack of peers/family/
network who use DFS

Basic literacy and numeracy

Digital literacy

Financial literacy

Unclear or unavailable
info about products/uses

Unclear or difficult
process to open account

Full List of Barriers (2 of 2)



Product & Service Quality

Reliability of payments system and network

Reliability and quality of in-person services

Lack of products that meet women's needs

Lack of products and services that create value

Navigability of user interface of the digital product



Consumer Protection

Potential (or actual) privacy violations

Predatory lending

Over-charging

Fraud and scams

Fear of making mistakes

Online/Phone/Social media harassment

Difficulty resolving complaints



Human Resources

Lack of women in leadership at DFS providers and policy-makers

Lack of female agents



Social Norms

Ambivalence or antagonism towards women's financial independence

Expectation that men control HH finances

Women's disproportionate time burden

Biases that center men as financial customers

Financial Inclusion Segments

In 2021, BMGF asked Mathematica to create a segmentation model that would allow us to analyse and compare women across different markets.

01

Excluded, marginalized

02

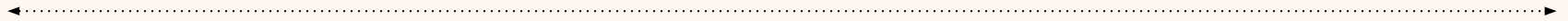
Excluded, high potential

03

Included, underserved

04

Included, not underserved



Lower potential for inclusion

Greater potential for inclusion

Financial Inclusion Segments

This represents the segmentation approach as defined by Mathematica.

01. Excluded, marginalized

Does **not own** a financial account
and

Has not conducted **certain transactions** in the past 12 months
and either

Does **not have** an **income source**
(neither in the workforce nor have received a G2P payment)
or

Cannot access financial services
(does not have a mobile phone, and financial institutions are too far away)

02. Excluded, high potential

Does **not own** a financial account
and either

Has conducted **certain transactions** in the past 12 months
or

Has an **income source** (from being in the workforce or receiving a G2P payment)
and

Can access financial services
(does have a mobile phone and financial institutions are not too far away)

03. Included, underserved

Owns a financial account
and

Has not conducted more than one type of **advanced transaction** in the past 12 months

04. Included, not underserved

Owns a financial account
and

Has conducted more than one type of **advanced transaction** in the past 12 months

←
Lower potential for inclusion

..... →
Greater potential for inclusion

Barriers Relevant Across All Four Segments

Prerequisites

Broader legal constraints (e.g. male signature)

Cost

Cost of using DFS (incl. transaction cost)

Cost of mobile/internet

Social Norms

Biases that center men as financial customers

Expectation that men control HH finances

Ambivalence or antagonism towards women's financial independence

Women's disproportionate time burden

*Human
Resources*

Lack of female agents

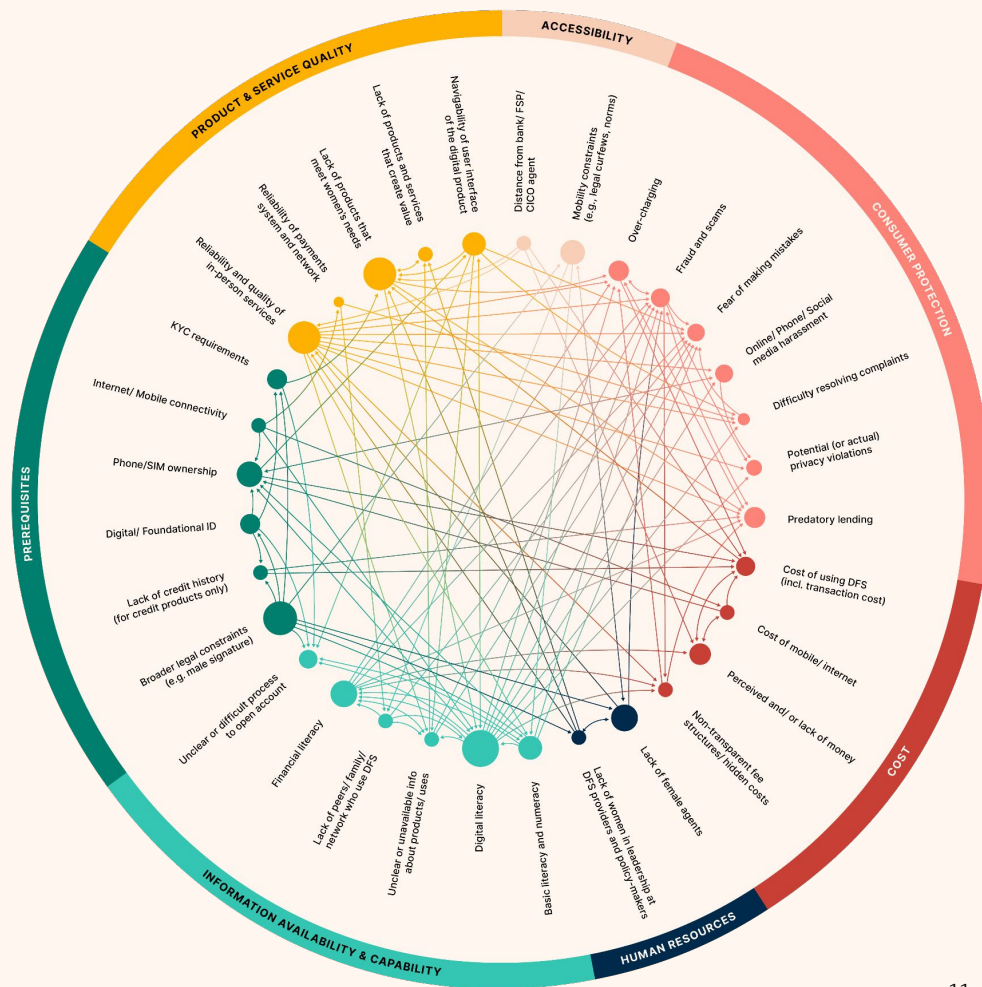
Some barriers typical for the largest segments in each market may be *more or less relevant based on local context*. This doesn't mean other barriers should be ignored or deprioritized.

Rather, in all markets, *one should take a contextualized approach* to determine which barriers need to be addressed more urgently than others based on what has already been resolved or attempted in the market.

Connected Barriers Map

No barrier operates independently of other barriers.

The nodes derived from this map can serve as a guide to identify opportunities for outsized impact. For a more granular view into the connected barriers, see our project [website](#).



Nigeria



The following slides take an in-depth look at specific segments for Nigeria.

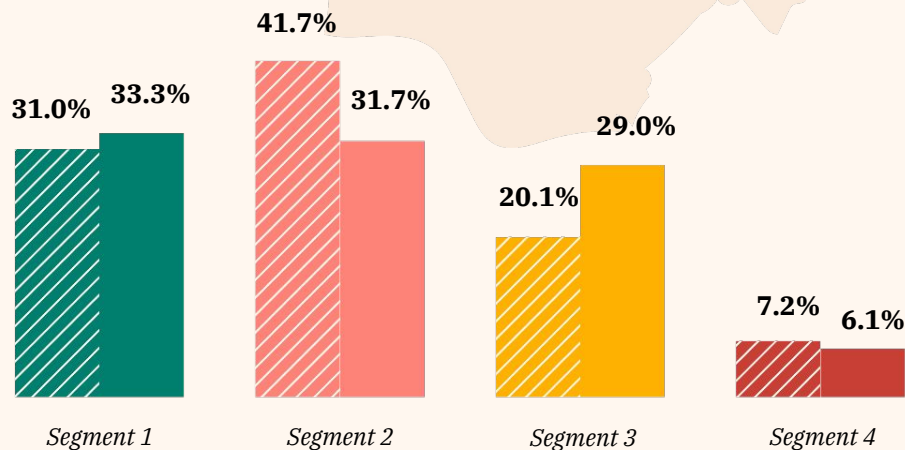
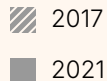
The following slides provide insights into Nigeria from the segmentation model, using 2017 and 2021 Findex data to allow for comparison over time. Note that Findex provides nationally representative data at points in time; it is not panel data on the same individuals over time.

- Slides 1-2* A breakdown of women in Nigeria **by segment** in 2017 and 2021 and a **gender comparison** for all segments in 2021.
- Slide 3* Insights into each segment's **demographic breakdown** in 2017 and 2021, including employment status, education level and age.
- Slide 4* A breakdown of **mobile phone ownership** by segment in 2017 and 2021.
- Slide 5* Insights into the **gender gap in mobile phone ownership** for each segment in 2021.
- Slide 6-9* An overview of **key insights into women in each segment** in Nigeria, using 2021 Findex and additional sources.
- Slide 10* An analysis of **specific barriers that may be more or less relevant for each segment.**

Women in Nigeria: Segmentation Breakdown

2017 & 2021

From 2017 to 2021, the largest segment of women in Nigeria shifted from Segment 2 to Segment 1. In 2021, women were nearly evenly distributed across Segments 1, 2, and 3.

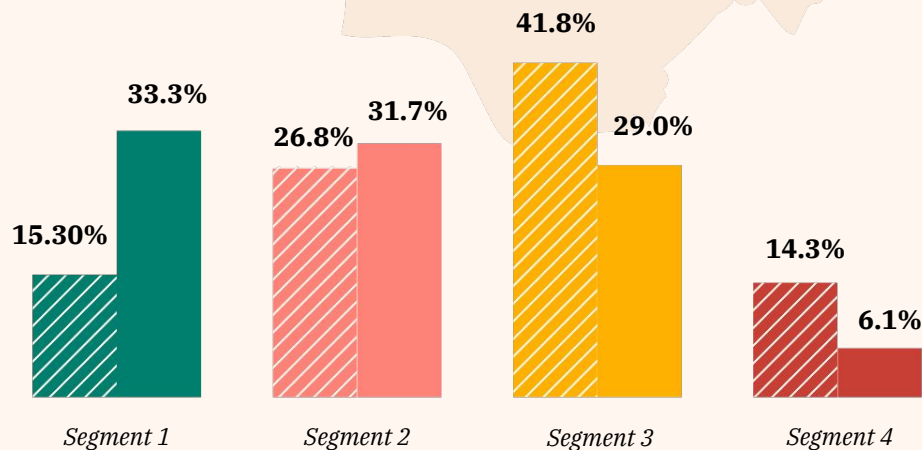
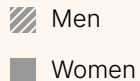


Sources: Mathematica analysis of 2021 Global Findex database data.

Women in Nigeria: Gender Comparison in All Segments

2021

In 2021, the largest segment of women differed from the largest segment of men in Nigeria. While the largest segment of men was Segment 3, the largest segment of women was Segment 1.



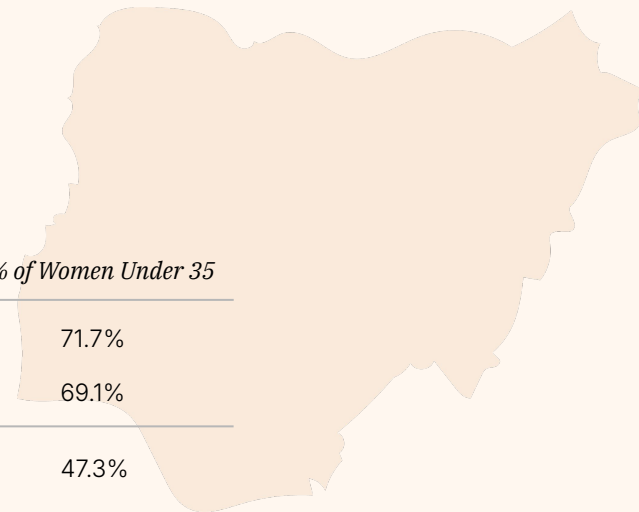
Sources: Mathematica analysis of 2021 Global Findex database data.

Women in Nigeria:

Demographic Breakdown

2017 & 2021

<i>Segment</i>		<i>Primary Employment Sectors</i>	<i>Leading Education Level</i>	<i>% of Women Under 35</i>
01	2017	Not in workforce (69.2%)	Primary or less (66.8%)	71.7%
	2021	Not in workforce (56.1%)	Primary or less (77.1%)	69.1%
02	2017	Working, sector unknown (36.9%)	Primary or less (64.0%)	47.3%
	2021	Working, sector unknown (64.1%)	Primary or less (64.7%)	55.1%
03	2017	Self-employment (35.3%)	Secondary (82.0%)	65.6%
	2021	Working, sector unknown (46.6%)	Secondary (72.9%)	57.7%
04	2017	Private employment (44.3%)	Secondary (87.9%)	59.6%
	2021	Private employment (46.9%)	Secondary (75.6%)	71.8%



Sources: Mathematica analysis of 2021 Global Findex database data.

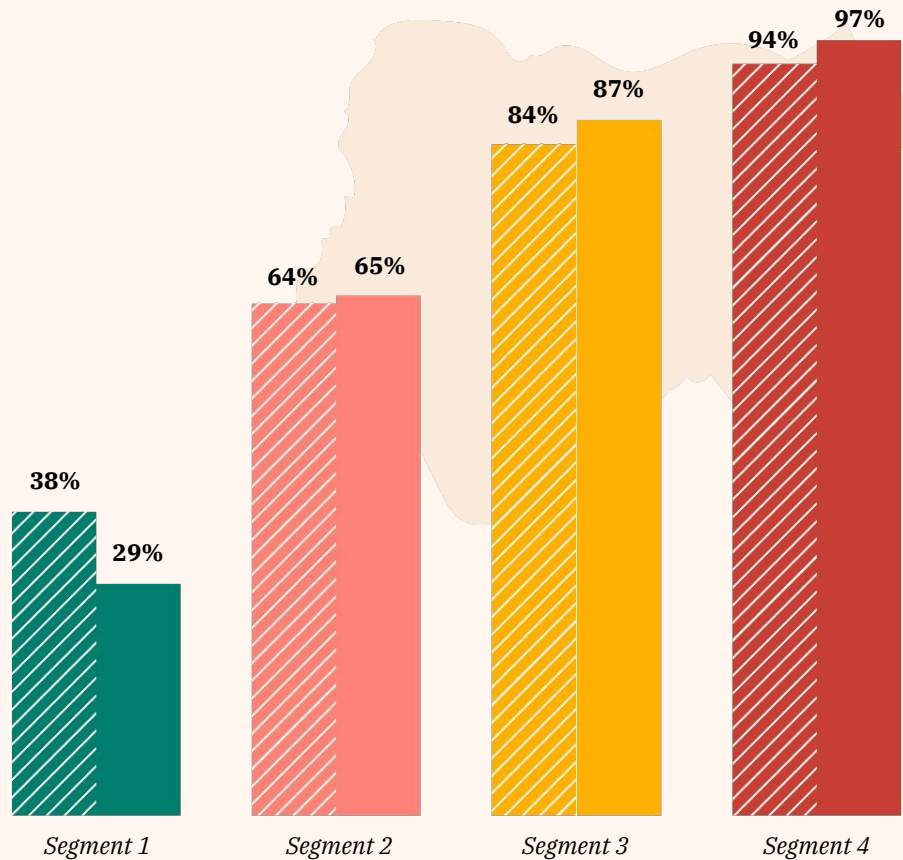
Women in Nigeria: Mobile Phone Ownership

2017 & 2021

Women's mobile phone ownership increased slightly for Segments 2 (1%), 3 (3%), and 4 (3%) from 2017 to 2021. Ownership decreased among women in Segment 1, however, by 9%.

▨ 2017



■ 2021

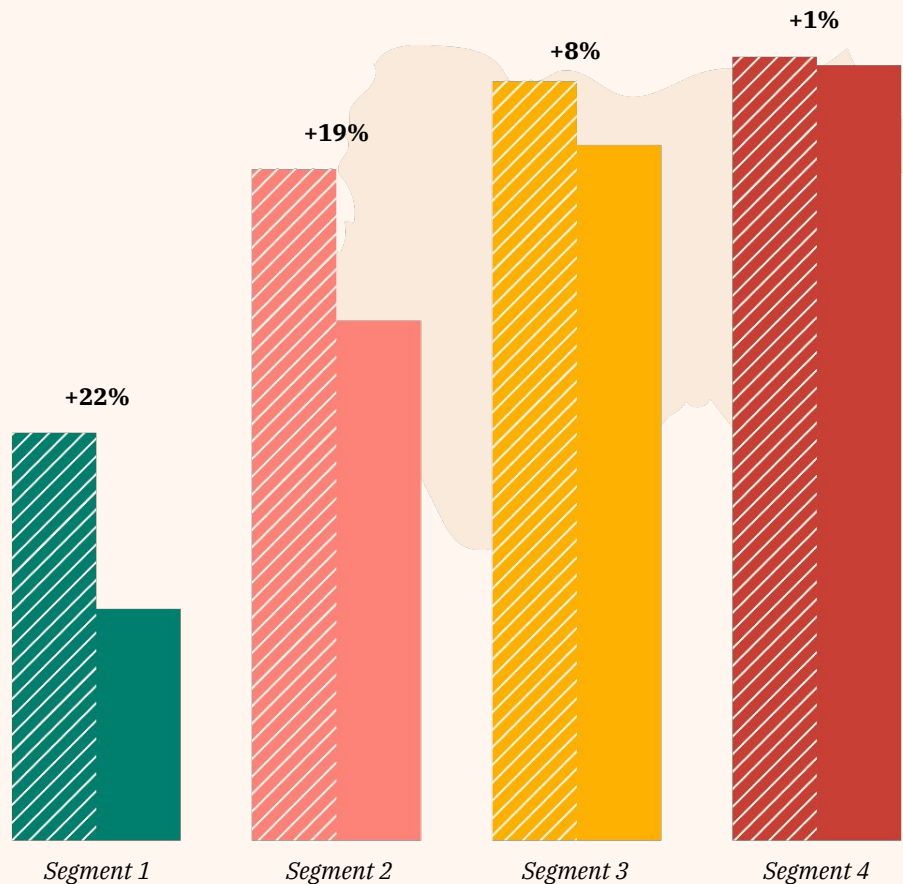


Sources: Mathematica analysis of 2021 Global Findex database data.

Women in Nigeria: Gender Gap in Mobile Phone Ownership

The gender gap in mobile phone ownership decreases in order of the segments. Segment 1 has the largest gap of 22%, followed by a gap of 19% in Segment 2, 8% in Segment 3, and 1% in Segment 4.

 Men
 Women



Sources: Mathematica analysis of 2021 Global Findex database data.



Women in Nigeria: Barrier Prioritization for *Segment 1*

What we know:

- 68.2% of women in Segment 1 stated they **do not have enough money** to use financial services.
- 44% of women in Segment 1 stated they did not have an account because **financial institutions are too far away**.
- 41.4% of Segment 1 stated that **financial services were too expensive**.
- 71.3% of women in Segment 1 **do not own a mobile phone**.

Sources: Mathematica analysis of 2021 Global Findex database data; Cable.co.uk



Women in Nigeria: Barrier Prioritization for *Segment 2*

What we know:

- 76.8% of women in Segment 2 stated they **do not have enough money** to use financial services.
- 35.3% of women in Segment 2 stated that they do not have an account because they **lack documentation**.
- 35% of women in Segment 2 **do not own a mobile phone**.

Sources: Mathematica analysis of 2021 Global Findex database data; Cable.co.uk



Women in Nigeria: Barrier Prioritization for *Segment 3*

Sources: Mathematica analysis of 2021 Global Findex database data; Cable.co.uk

What we know:

- **Informal mechanisms for savings, credit, and utility payments remain high among women in Segment 3.**
 - Although 68.9% of women in Segment 3 saved for any reason, only 23.7% did so using a formal financial institution or mobile money account.
 - 47.1% of women in Segment 3 borrowed, but only 0.8% did so from a formal financial institution.
 - While 42.7% of women in Segment 3 paid utility bills, 39.9% did so with cash.
- Only **15%** of the 1,000,000 registered financial service/mobile money **agents in Nigeria are women.**
- 72.9% of women in Segment 3 have **secondary level education.**
- Nigeria has the **second lowest average price of mobile data** on the African continent, with an average of \$0.39 (USD) per 1 GB of data.

Women in Nigeria:

Barrier Prioritization for *Segment 4*

What we know:

- **89.7% of women in Segment 4 saved or set aside money for any reason and 85.3% saved money using an account at a formal financial institution. 20.4% used an informal savings group or person outside the family.**
- 75.6% of women in Segment 4 have secondary education or higher and 4.7% have tertiary education
- 97% of women in Segment 4 own a mobile phone
- 18.6% of women in Segment 4 **made a purchase online or using a mobile phone.**

Sources: Mathematica analysis of 2021 Global Findex database data; Cable.co.uk

Barrier Prioritization by Segment in Nigeria

	Segment 1	Segment 2	Segment 3	Segment 4
More relevant	<ul style="list-style-type: none"> Perceived and/or lack of money Phone/SIM ownership Distance from bank/FSP/CICO agent Cost of using DFS (incl. Transaction cost) 		<ul style="list-style-type: none"> Lack of credit history (for credit products) Lack of products that meet women's needs Lack of products and services that create value Lack of female agents Digital/Foundational ID 	
Kept in mind during program design	All barriers in the Social Norms category			
Less relevant			<ul style="list-style-type: none"> Basic literacy and numeracy Cost of mobile/internet 	

Exemplars & Opportunities Analysis

Our exemplar analysis maps rigorously tested successful interventions and programs to the barriers and customer segments they address.

With an understanding of the most relevant barriers for a specific customer segment in a specific market, exemplars can *inspire and inform opportunities* for adapting *evidence-based program design* in other markets.

A key part of our exemplar analysis was identifying the design principles that were inherent in each activity, program, and intervention.

Design principles are a set of ***guiding rules and elements to be considered during program conception and design.*** These principles will help create intentional, effective, and valuable interventions and activities that work for women.

Five design principles emerged as the most common principles throughout our exemplar research.

Interventions that adopted one or more of these principles were also found to be successful in addressing barriers to WEE-FI and meeting their intended objectives.

These five design principles should be considered when designing programs and activities specifically for women given their popularity in existing programming and impacts on improving access and usage of financial services.

The five key design principles we identified are:

- 01 Bundling a product/service rollout with capacity-building training
- 02 Targeting both supply- and demand-side actors under one program
- 03 Leveraging multiple communication channels for recruitment, and trusted community members for program implementation
- 04 Using women-centered design models
- 05 Making interventions affordable

Sample Exemplars

The following slides provide *two exemplars* that could *inspire activities* to address key barriers to women's financial inclusion in Nigeria.

The first was implemented in Nigeria and addresses the product and service quality barriers that affect women in Segment 3. The second was implemented in Mexico but addresses a key barriers affecting women in Segment 2 in Nigeria: perceived and/or lack of money.

There are 43 other exemplars in the extended resources that may provide additional inspiration for service providers working on women's financial inclusion and economic empowerment in Nigeria. These resources can be found on our website.


BETA Savings Account in Nigeria

In Nigeria, lack of physical proximity and mobility constitutes as an important barrier for accessing formal financial services, which leads to a significant portion of the population being unbanked. Most of those not having access are women. The gendered discrepancies have inspired financial actors to orientate towards this market segment.

Diamond Bank in Nigeria (now called Access Bank) introduced a financial product designed for women, the BETA savings account and increased level of service, in the aim of shifting away from its typical banking procedures, which were much more complicated, lengthy and inaccessible. Customers had to visit the branch, provide identification, proof of address or income, fill out forms and include references from other Diamond Bank customers. The most important element of the project that tackles physical distance is the rollout of so-called BETA Friends, banking agents that directly visit customers' businesses (focusing on women owned-businesses, but not excluding men).


Quick facts


Barriers addressed

 **Accessibility**
Distance from bank/FSP/CICO agent

 **Social norms**
Biases that center men as financial customers

 **Information Availability & Capability**
Unclear or difficult process to open an account

 **Product & Service Quality**
Lack of products that meet women's needs
Lack of products and services that create value

 **Consumer Protection**
Fraud, scams, and/or fear of making mistakes

Segment focus

1 2 3 4

Geography

Nigeria

Sources

[WWB, 2014](#); [WWB, 2019](#).

Customer Journey Relevance



Key stakeholders involved

Diamond Bank (Now Access Bank)
Women's World Banking
EFInA
Visa

BETA Savings Account in Nigeria

Key activities

Design of the program:

- Creation of the BETA account, an innovative digital savings account, targeting self-employed women.
- The Savings account was launched in 21 of Diamond Bank's 240 branches.
- BETA includes:
 - A transactional savings account; a commitment savings account (Target Savers), value-added services (balance inquiry, transfers, airtime top-up); mobile credit product
 - Introduction of "BETA Friends" – agents that visit a customer's business to open accounts, handle transactions

The launch of a pilot program in 2013, which resulted in 38,600 accounts opened (original goal was 16,000) (WWB, 2014).

Continuation of the program, with the latest results available from 2018 (WWB, 2018).

Outcomes/results

BETA Savings Accounts:

- Number of customers increased from 335,119 in July 2016 to 601,245 in July 2018
- In July 2018, 38% of BETA customers were women
- On average, active BETA customers conduct five transactions a month and the gender gap in number of monthly transactions disappears with account maturity." (WWB, 2018)

BETA Target Savers Accounts:

- "During the period between July 2016 and July 2018, the total number of Target Savers customers nearly quadrupled from 9,994 to 52,355, of which 38% are female."

BETA Savings Account in Nigeria

Key enabling environment factors for the intervention

Nigeria's enabling regulatory environment simplifies opening accounts as there is requirement for IDs.

- Accompanied by the active participation of the Central Bank of Nigeria (CBN) in the integration of unbanked populations into the financial system, which inspired its regulation to adapt to these goals (for example facilitating microfinance) (WWB, 2014)

Key design elements and principles that led to successful outcomes

Favorable BETA account features that made them accessible, such as (WWB, 2014):

- No need for ID, forms, signature
- No minimum balance, monthly or deposit fees
- ATM card provided in starter pack
- Reward scheme with cash prizes
- 3,6% yearly interest

Multi-channel delivery: Partnerships with mobile money providers that enabled customers to deposit and withdraw through their agents.

Incentive based system encourages BETA friends to scale up their customer bases, as they get paid based on account openings (and a service incentive for accounts with regular transactions).

Potential for scale/replicability

There is a clear progression of the program based on the report available on the pilot program from 2013 and the research from 2018. During the pilot, 38,600 accounts were opened, while this number increased to 601,245 in 2018, which is a clear evidence of the scalability of the project.

Challenges encountered during the program

Competition with existing informal financial services that have established social support: ajo and adako. BETA however has a competitive advantage as customers don't have to rely on others (as with the group savings with adako), and provides 24/7 access to savings (contrary to ajo, which pays at the end of the month).

BETA Savings Account in Nigeria

While the BETA Savings design was explicitly geared towards women (while it didn't exclude men), only 40% of the account holders were women, which indicates that the project had difficulty in reaching their target audience. It appears that it is harder to convince women to open an account that they are not familiar with, as they require more information and might consult a friend or family member before making a decision (which doesn't seem to be the case for men). It is also useful to note that there does not seem to be a progression in this percentage from the launch of the pilot until the newer data from 2018.

Recommendations from the research

It was evoked that women tend to make decisions differently – a way to make the program more inclusive is to make more information available (as this point was raised in the analysis provided by Women's World Banking).

There is no mention on the identity of BETA Friends. The program didn't take into account the importance of inclusion of female agents and their potential positive role. Increasing female agents can potentially increase the percentage of female beneficiaries as well.

“

During the period between July 2016 and July 2018, the total number of Target Savers customers nearly quadrupled from 9,994 to 52,355, of which 38% are female.

Exemplars

Interest Rate Sensitivity Among Village Banking Clients in Mexico

"Compartamos Banco is the largest microfinance institution in Mexico with branches in every state and over two million borrowers." (J-PAL, 2019). "Borrowers from this institution tend to lack the income and/or collateral required to qualify for loans from banks and other "upmarket" lenders." (Karlan et al., 2013).

Compartamos and a research team from IPA implemented a new pricing model "to measure Compartamos borrowers' reactions to varying interest rates in order to determine the impact of the cost of borrowing on loan take-up, the amount people borrowed, and their repayment rates. The study focused on the bank's most popular product – a group liability loan for women to invest in business or economic activities called Credito Mujer. In order to borrow, clients must form a group of 10 to 50 women who are 18 years of age or older." (J-PAL, 2019). Compartamos depends on the group members to screen out women who are uncreditworthy.

"As part of the implementation of a new pricing model, Compartamos lowered the interest rates on Credito Mujer loans in eighty regions. Researchers then randomly assigned forty regions to the "high rate" group which received loans about 10% below previous interest rates (which were about 100% annually, on average), and 40 regions to the "low rate" group which received loans about 20% below prior interest rates. The study uses administrative data from Compartamos and data from credit bureaus for up to 29 months after treatment began to measure the impact of the low-rate scenario relative to the high-rate scenario." (J-PAL, 2019).

Quick facts

Barriers addressed



Prerequisites

Lack of credit history



Accessibility

Distance from bank/FSP/CICO agent



Cost

Cost of using DFS
Perceived and/or lack of money



Information Availability & Capability

Financial literacy

Segment focus

1 2 3 4

Geography

Mexico

Sources

[J-PAL, 2019](#); [Karlan et al., 2013](#).

Customer Journey Relevance



Key stakeholders involved

Compartamos Banco
IPA (research team)
Compartamos Banco clients
Mexican Credit Bureau

Interest Rate Sensitivity Among Village Banking Clients in Mexico

Key activities

“Loan officers targeted self-reported female entrepreneurs and promoted the Credito Mujer product through diverse channels, including door-to-door promotion, distribution of fliers in public places, radio, promotional events. As loan officers gained more clients in new areas, they promoted less frequently and relied more on clients to recruit other members.” Loan officers then visited the groups twice to explain loan terms and processes. The women were responsible for selecting “creditworthy” group members. “Each group then elected a treasurer to collect payments from each group member, at each weekly meeting... If a group member did not make her weekly payment, the President (and loan officer) typically solicited and encouraged “solidarity” pooling to cover the payment and keep the group in good standing. All payments were placed in a plastic bag that Compartamos provided, and the Treasurer then deposited the group’s payment at either a nearby bank branch or convenience store.” (Karlan et al., 2013).

Outcomes/results

Cited from J-PAL, 2019:

- “By the third year, areas that offered lower interest rates were bringing in significantly more first-time borrowers and more borrowers with both high and low education relative to regions under the high-rate scenario. Decreasing the interest rate did not generate detectable effects on delinquency (any lateness in repaying loans) or on severe delinquency (more than ninety days late in repaying loans).”
- “Microfinance clients were extremely responsive to changes in the price of loans: outstanding loan balances increased by more than 10% due to the 10% reduction in the interest rate.”
- “Overall, there was no change in Compartamos’ profits due to the lowered interest rate... These findings suggest that MFIs may be able to lower rates to both attract and retain more clients, who in turn borrow greater amounts.”

Interest Rate Sensitivity Among Village Banking Clients in Mexico

Key enabling environment factors for the intervention

- “Compartamos has partnerships with six banks (and their convenience stores) and two separate convenience stores. The banks include Banamex (Banamex Aqui), Bancomer (Pitico), Banorte (Telecom and Seven Eleven), HSBC, Scotiabank, and Santander. The two separate convenience stores are Oxxo and Chedraui.” (Karlan et al., 2013). These established relationships gave the women access to many places to drop off their loan payments, helping to prevent distance from becoming a barrier to participation.
- Compartamos creates incentives for repayment. “Members of groups with arrears are not eligible for another loan until the arrears are cured; members of groups that remain in good standing qualify for larger subsequent loan amounts and lower interest rates. Compartamos also reports individual repayment history for each borrower to the Mexican Official Credit Bureau.” (Karlan et al., 2013).

Key design elements and principles that led to successful outcomes

- Credito Mujer was promoted through diverse channels to reach a diversity of women.
- The program incorporated financial literacy elements through in-person visits by loan officers.
- The program featured a women-centered design model; women clients recruit other candidates, screen them, and oversee loan repayments.

Potential for scale/replicability

This program has the potential to be scaled/replicated due to the women-centered design model. After the two trainings conducted by loan officers, the women themselves are responsible for managing their finances. The women also conduct most of the marketing and outreach activities. Overall, the women participants do most of the heavy lifting of the program. The program also did not result in changes in Compartamos’ profits, suggesting that fear of loss of profits may not be a factor inhibiting supply-side actors from replicating or scaling up the program.

Interest Rate Sensitivity Among Village Banking Clients in Mexico

Recommendations from the research

The research team recommends several avenues of future research. First, given the positive results of the program for both Compartamos and the women participants, the team is interested in understanding why Compartamos did not lower interest rates earlier. The report also recommends examining “innovations with respect to lending technology, such as mobile devices with customized software for credit officers (that are being implemented by many lenders, including Compartamos).” (Karlan et al., 2013).

“

This program has the potential to be scaled/replicated due to the women-centered design model. After the two trainings conducted by loan officers, the women themselves are responsible for managing their finances.

Thank you!

For questions please contact:

info@gridimpact.org

www.wee-fi-barriers.org

