



International Women's Day: Using Data to Close the Gender Gap

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Babak Abbaszadeh:

Hello everyone. Happy International Women's Day. We're glad to collaborate with MEDA on this special day and host this timely session. I am Babak Abbaszadeh, CEO of Toronto Centre, for our webinar "Using Data to Close the Gender Gap". Before we start, I'd like to acknowledge that we are on the traditional territory of many nations including the Mississaugas of the Credit, the Anishnabeg, the Chippewa, the Haudenosaunee and the Wendat peoples and is now home to many diverse First Nations, Inuit and Métis peoples. So that's the home of Toronto Centre. This year, Toronto Centre is turning 25; the Silver anniversary is a significant milestone. Since our establishment in 1998, we have trained more than 20,000 supervisors from 190 countries and territories on both financial stability and financial inclusion challenges that these officials face. We are committed to increasing the capacity of regulators and supervisors to build more stable and inclusive financial systems, which contribute to economic prosperity and underpin the UN Sustainable Development goals.



Our mission is generously supported by Global Affairs Canada, Swedish International Development Cooperation Agency, and the IMF. Women's ability to save, borrow, and control their money, and to ensure themselves and their assets reduces poverty and promotes better health and nutrition outcomes for their families and their countries. Through our various programs, we have known for some time that there is a persistent gap, gender gap, between men's and women's usage of financial services and risks faced by women and men in personal, family, business, and financial decisions, which are different for each. Our Gender Aware Supervision Toolkit, which was generously supported by USAID, confirmed that there is also insufficient sex-disaggregated data on which supervisors and financial services providers can evaluate and act. Prevailing research shows that using sex-disaggregated data can make a difference by better understanding the needs of women and girls, promoting digital inclusion that extends financial services to poor and rural women, and enabling proportional risk-based supervisory approaches to such requirements as KYC: Know Your Client.

According to the IMF, risks to financial stability increase when access to credit is expanded without proper supervision. Unfortunately, countries with the biggest gaps in financial access inclusion also tend to have the lowest supervisory equality. So, investing in high quality supervision can pay big dividends as financial inclusion expands. In this context, employing the toolkit is a key for authorities to begin integrating gender and technology into their supervision. Supervisors must strike a balance between mitigating risks to financial stability while promoting innovation and protecting consumers. Our training programs are designed to help supervisors address those challenges, and today we'll get the benefit of the panel's perspective on this and various other related issues. You have seen their bios, but I'd just like to mention them: Petronella Dhitima is a program leader for Toronto Centre and the founder and managing director of Mustard Seed Advisory. Verónica Herrera is the CEO of MiCrédito. A big welcome to you speakers and also to our moderator: Lindsey Wallace, Senior VP, Strategy & Impact at MEDA. MEDA is a very good partner of Toronto Centre. You have received their bios as I mentioned, and to save time, we won't be reading them. Thank you, and I really hope you enjoyed this panel. Lindsay, I'll pass the mic to you. Thank you.

Lindsay Wallace:

Thank you so much Babak, and thank you very much to you and the Toronto Centre team and happy anniversary. As Babak mentioned, I'm Lindsay Wallace, Senior Vice President, Strategy and Impact at MEDA, and at MEDA, we're an organization that provides knowhow and capital to agricultural businesses and financial services providers, and we're actually also celebrating an anniversary this year; it's our 70th anniversary. Gender equality is a big focus of our work, so I'm absolutely delighted to be moderating this panel on International Women's Day. As noted in the chat, just to say that there will be time for some questions and answers at the end of the session, and so I encourage everybody as ideas and thoughts come up to please put your questions and answers in the box down at the bottom of your screen. As, well the panel will be simultaneously translated into French and Spanish, and so to access translations, please just click the button at the bottom of the screen that has an interpretation.



Just before we move to the panel, a couple of points on International Women's Day and the theme of digital innovation and technology for gender equality. Babak touched on a few of these, but we do know how important digital innovation has been for the financial inclusion sector, but we know that there remains a significant gap, both the digital gap and a financial inclusion gap, and there's more that we can do to support women's digital financial inclusion. We know that there's a great opportunity to increase access through these channels, but that we need not just access to the tools but, also the appropriate products and services. As we'll hear, we know gender-disaggregated data is such a critical important step to help us address this gap. We know that when supervisors and financial services providers gather, collect, and analyze gender-disaggregated data, it can really help them to design new products and to really understand the nature and scale of financial inclusion in their countries.

We also know that when supervisors and regulators in particular collect gender-disaggregated data, they can then work closely with their financial services providers in-country to really help understand what types of products and services are of a particular need for women and also really help to encourage the greater inclusion of women into the economy through financial inclusion. So some big challenges that we've laid out ahead, but one thing that we also know and it's exciting to be here on International Women's Day is that when women are at the helm, when women leaders are given the opportunity to take charge, they're also much more likely to reflect and address some of the challenges facing women entrepreneurs and financial services providers that focus on women. I'm thrilled to have two fantastic female entrepreneurs here today. As mentioned, we're delighted to be joined by Verónica Herrera, the CEO of MiCrédito, an important MFI in Nicaragua and Central America.

And as well Petronella Dhitima, a program leader at Toronto Centre, but also an entrepreneur leading a very well-known advisory service in the financial inclusion space, and importantly, the author of the toolkit on sex-disaggregated data that the Toronto Centre put out recently. So, without further ado, I'm going to ask the panel to reflect on some of these issues and as mentioned, please as ideas come up, put some of your thoughts into the Q&A box. So, first I'm going to turn to Veronica. Veronica, as a leader of a financial services provider, what was your motivation and journey in addressing the financial needs of women in your company and what are the implications for you, your management team, and your frontline staff? Feel free to tell us a little bit about MiCrédito and some of the work that you've done. And of course, MiCrédito has been a long-standing partner of MEDA, so we're delighted to have you here today.

Verónica Herrera:

Okay, thank you Lindsay, thank you to the Toronto Centre for this invitation on this special day. Well, I'm going to talk a little bit about Nicaragua. We have 45% of the population which is living in poverty. Secondly, the unemployment of women is 45%; it's higher compared with men. A little bit about MiCrédito; at this point, we offer microfinance to make financial inclusion in general for rural area, with focus in microfinance. So, we want to empower women through financial inclusion. Talking about this; how is this challenging MiCrédito, what is our reason or motivation on why we decide to service women? There are two reasons: one reason is personal; I was born in the west of the country in a very poor rural area. It's my personal passion to serve women and give chances and better opportunities to them. And secondly, I knew of MEDA years ago, and it is a very similar passion between MEDA and MiCrédito. So, this is the motivation for why we want to improve the capacity of women.



The second reason, as I mentioned, also in Nicaragua, in Central America in general, but especially in Nicaragua, the poverty is concentrated to the women. What is the challenge for our team? It's not a challenge, I will say, it's an opportunity to decide to hire more women than men; it sounds like discrimination, but it's not. We try to bring more women in the team; 78% of our employees actually are women. The reason is, because we understand the DNA of women; it's the main reason why we hire capacity, but also, we prefer women. In the beginning, it was not easy, especially with the men because the men prefer to improve, to protect, and their solidarity is current; there is solidarity between them. So, we say we retrain, we focus on the gender policies and those aspects to improve the capacity to service women.

Lindsay Wallace:

Thank you Veronica; that's really helpful and such a great story, and we see throughout the sector that greater women, or a greater number of women employees, has a greater and oversized impact on the number of women clients and it's a bit of a positive cycle. Petronella, turning to you as a longtime expert in financial inclusion for women, can you tell us a little bit about your work in developing the Toronto Centre gender-disaggregated data toolkit and some of the main takeaways of the country pilots, because I know there was a lot of theory behind it and a lot of reflections, but it's only once things get applied on the ground that you actually find out what's working/what's not working. So, yeah, I'd love to hear more about what you've learned.

Petronella Chigara Dhitima:

Great, so thank you very much Lindsay. Before the toolkit, we actually did a study, and there is a publication to it. The study was really looking at the intersection between technology, gender, supervision, and regulation. So, as you can see, these are three big topics on their own, really looking at technology and how you can use technology to drive the women inclusion agenda. But not only just do that but drive it from a regulatory perspective. So, it was really layering a number of things together, and it was very interesting work that we did, and we did it in four countries. You may be aware of this Lindsay, we covered Kenya and Zambia, Colombia, and Peru, and those were the pilot countries. So, we set out to understand where they were.

So, I'll go into what are some of the key takeaways. So, what did we find out? One of the findings was, as Mr. Babak said right at the beginning, is that there isn't as much sex-disaggregated data. And I think a lot of the participants will say "What? There's a lot!". Yes, if you go to Findex, if you go to different sites; Finscope in Africa, they're doing a lot of work around sex-disaggregated data, but what we were looking for was this systematic way of collecting data, not by anybody else, but by the regulator, where they're actually collecting it from the financial service providers. And they're not just collecting it, but they're analyzing it and using that sex-disaggregated data to inform policy, one. Secondly, maybe, to inform even the way they will do regulation and supervision. So, I think as the webinar continues, I'll have a chance to explain what I mean by that. But let me give you another takeaway.

What did we find? We found out actually that there is a lot that's going on, maybe, at the collection stage. So, there is, in some jurisdictions, collection of data, so what was missing was the analysis. In some countries they actually said, the FSP said to us, we actually wonder because the regulator collects this information, but we never really get the feedback; we don't even know what they're using it for. So, there's kind of like a black box, there's lots of information being collected, but maybe it's sitting somewhere with the regulator, and they don't exactly see how this information is being utilized. So, I've gone really high level and I hope as the discussion continues, I'll be able to dig deeper into some of the discussions. So, I would highlight those two as what we actually found out, and then I can talk about takeaways and reflections later on is if that is fine. Over to you, Lindsay.



Lindsay Wallace:

Yeah, thank you so much Petronella. I'm actually going to come back to you on that, though; just saying you've got a very strong sense from both the supervisors perspective, but also that very practical on the ground "How do FSPs and financial service providers of all kinds actually leverage their data?". And so, from what you've seen, are the biggest opportunities for supervisors to leverage data for women's access to finance, building on the need for deeper analysis? What are some of the other challenges or barriers that you see? I think your point about how we do have the Findex and the Finscope, but of course those are our big sample data sets. It's a very different thing than a regulator saying "Okay, what's actually happening here in financial inclusion in my country?" and then making that a requirement as part of their supervisory duties. So yeah, just a little bit of a reflection on the opportunities and again, thinking a little bit about some of the different countries, was there any of the four that really stood out or anything that we could all learn from some of the countries that were pilots?

Petronella Chigara Dhitima:

Thanks so much Lindsay for that, and there were opportunities, definitely, and there were areas where we were like "Oh, this could be taken to the next level." So, I'll explain two. The first one was a lot of data that was being collected on access to credit and it was actually sex-disaggregated. So, we were really excited; yes, data is being collected, it's sex disaggregated, but there wasn't enough of it. Okay, we have actually done this over the years, and we have realized that the FSPs are failing to reach more women because of this issue, and so let's find ways of resolving it. So, we found that in one country, it was a Latin American country, but this was the interesting almost proxy side of it, like the other side of the coin. There was one country where they said, and this was the regulator, we now know that women are actually failing to access financial services, particularly credits because they don't have access to collateral.

The unfortunate bit is that I would say yeah, they have that knowledge, but it didn't come out of data analytics. So we were saying "Well this would've been very interesting" if the Latin American country was the one that is saying from the data analytics, we could actually see that women are not accessing credit because of lack of collateral. So, I will explain what the African country did. They actually created a policy and an activity, a project where the regulator says "Okay, let's look at movable securities registers". So, let's look at an alternative way of making sure that the collateral that the women have, these movable assets can actually be collateralized, and they started working on that project. So, a beautiful example of responding to issues that are happening, and that was really pleasing. The only thing we are saying to the regulator: you can do a lot more of that where you're taking the data and you are analyzing it.

So, one example that I could give as an opportunity. A lot of the FSPs are collecting complaints from their clients, maybe the complaints even have something that says gender and they tick male/female. So, if the FSPs can analyze that data by the sex and say more women are complaining about this issue as opposed to men, or more men are complaining about this issue as opposed to women, then the regulator could actually collect that information, analyze it further, and go back to the FSPs and say "Guys, can we do something about this?" and maybe we make changes in this area. So this is just taking the complaints as one area where it's low hanging fruit. A lot of the supervisors were already collecting data. In some cases, the supervisors were even directly collecting complaints from the client and it was sex-disaggregated, but they were not really doing the analytics to say "So what are we learning from the women? What are the complaints which are unique to women as opposed to the men, and what do we do about it?"



So, I've highlighted an example, one example of an opportunity, which I would even call a low hanging fruit, because the data is there, it's sitting with some of the authorities, they can do a little bit more and then they feed back to the FSPs so that you also incentivize the FSPs and they see why they should be collecting sex-disaggregated data. I will stop here and hope I can explain further later on. Over to you, Lindsay.

Lindsay Wallace:

Now, thank you so much, Petronella, that's really helpful, and like many things, it just is a small tweak that could then really help to build out the data availability. Turning to you Veronica, thinking about a, again, very practical, on the ground examples, can you tell us a little bit about how data analysis has helped MiCrédito better understand the needs of your women clients and whether that's involved in more developing better products or other types of services? Any examples that you can provide would be helpful.

Verónica Herrera:

Thank you Lindsay. Before to go to the data analysis, I want to explain that most of the clients in our country apply through Facebook, but something that we saw is more men than women using Facebook. Another thing that we saw: Instagram is another platform used by men more than women. But anyway, we try to educate. The reasons are 1.) low education. That is one reason why people don't use social media. Secondly is because the country has a very good signal for cell phones, but in the rural area, there is not a very good signal. In fact, recently I suffered, as the internet connection was not good.

Those reasons are the main reason why the women don't use social media, and the third reason is more women focus on their family and focus on their own business more than social media, more than internet, and more than Facebook. That's the reason. But we use the data to create products, of course. We normally build the questionnaires or surveys; we have a call center to conduct interviews after we gave the loans. So, in that moment, we build the data, and also we follow the clients on Facebook. One of the main factors in our decision to make any loan to the clients is that we see their Facebook and we see their own information, their personal information, because it is important to know what the preference of women is, especially when we receive this information from Facebook.

Some things that we learned with this data: reduce the cost, because we don't spend a lot of time to see what is the necessity of the women, that's one aspect. And the second aspect is sure, it's fast, it is easy to see what the necessity of the women is. One culture that we have here in MiCrédito is to design the product from the point of view of the client, and the data gives this information; that is our support. But after the data, we conduct a short interview. We have another way, more than data, to design our product. I want to share a little bit in five minutes, no more. We create a culture in MiCrédito to design product from the point of view of the client. How? We make an annual competition for all the employees, all the employees, and they go through the data trying to create this product. What kind of product does the client need? Because at the end of this competition, they see the product, explore the product, and then we have the employees choose three winners. They are excited but most of the information come from interviews of the field and secondly, from the data.

**Lindsay Wallace:**

Fantastic. I mean, that's so insightful in terms of, I wasn't aware of the shifts in the usage of social media in Nicaragua in particular, and I think women do often have a lot of other things that they have on their plate. So, I'm not surprised to hear that that might be part of the reason why there's different usage. But nonetheless, it's fantastic that you're able to get that data, analyze it, and I love the idea of an annual competition through your workforce. I think that's fantastic. Of course, keeping clients at the center is so critical. Just thinking a little bit about looking forward and some of the challenges and opportunities, just turning back to you, Veronica, just so much about microfinance is, I mean it's the product, it's the financial services provider, and all the plumbing which of course the folks that work with the Toronto Centre and others are interested in. But at the end of the day, I know, importantly, we're really want to understand and think about impact. And so, maybe if you could speak a little bit about what different some of your strategies and approaches have made in the lives of your women customers. And we've got a lot of people from the financial inclusion sector on the webinar today. Just what recommendations do you have for others to serve women customers in a better way?

Verónica Herrera:

Well, I think in microfinance, the best tool that we have is the loan, the micro-small loan, probably everybody knows this. With a small loan, we changed the life of women, but for women, we have specific products. What kind of product? We have, for example, we call it "microentrepreneur" loans for women. That is for women who don't have employment or they have one idea but nobody wants to give any loan to them. So, we decide according with the necessity, what kind of loan normally do women require? Water and sanitation is one, improving their homes is second, electricians or solar panels in the rural area is another one that we design according to the necessity of women, and an education for their children. Those kinds of loans are normally what most of the women request from MiCrédito.

Also, another service that we offer for women is for a diaspora coming through United State or Spain, leaving from the country. So, they receive remittances because most of the people who leave the country are men. So, women stay here, continue their life with their children, and they need to receive remittances. That is another service. In the case of Costa Rica, as we have branches there, we use the technology called SINPE. SINPE is the name of a transfer from one cell phone to another cell phone. That technology, we are using in Costa Rica for remittances. So, we created that kind of product to facilitate women. Why? Because most of the women have their own business, but at the same time they take care of their children. They don't go outside. They are a stay of the market, or in their own house, and they take care of their own business but also, they take care of their children.

So, the need to travel from the field or their business to a bank branch is a heavy burden for them. So that kind of product, we created to facilitate women in their culture. Another thing that I want to mention in microfinance that we see: normally in the rural area, women ask for permission from their husband and we ask, "Why do women need to ask for permission to get a loan or any service in microfinance?". So, it is a culture problem that we have; a consequence to make an independent decision. If women get the loans and invest in their own business without the permission of their husband, they can continue to grow their business. But if women do not their permission for their husband, it stops their growth. So, we try to create technology to make any applications to reduce this kind of problem, this culture problem that we have. Back to you.

**Lindsay Wallace:**

Thank you so much Veronica, those are really helpful components and it's certainly what we've heard in other countries as well, that often women are very much focused on the home and on education for the children. I do think as well, certainly with the remittances, we know that that's one of the great for women; it's just cutting down on the time, assuming, and haven't spoken about this, that there is a good way to cash in and cash out with some of the transfers. What a fantastic set of examples of women focused products and yeah, on International Women's Day, I don't think Nicaragua was alone in some of the challenges related to women being able to fully own their own loans or have their own financial freedom, so to speak. Petronella, just turning back to you, given that again we've got a lot of people from the financial inclusion and regulatory and supervisory world here, what advice would you give to financial regulators and supervisors to improve their data analytics and to harness the insights. You've given us a few examples previously, but if you could maybe wave a magic wand or provide some advice to everybody on the webinar, given all the research that you've been doing in this space, what would that be?

Petronella Chigara Dhitima:

So, the first one is really something that we discussed in the toolkit. One of the barriers that regulators face, and I would say that's maybe my word of advice, is that they don't quite see the business case from a regulatory perspective. So, understanding the business case, why is it important from a regulatory perspective? Because the IMF does in one of its papers, they do indicate that in markets where female managers are at the helm, either on boards or in senior management, there is evidence to show that financial market stability is enhanced. So, if I were a regulator, well, which I'm not and I've never worked there! If I were regulator, I would be really interested in ensuring that the market that I'm regulating, the FSPs that I'm regulating, maybe there's also even an element of having more women in leadership positions and see if that what we are seeing in other countries plays out also in your own country.

Because it has an impact on market stability, I would say that maybe that's something that to be considered and I would take it as something that can be a starting point. So, start by actually looking at the business case and understanding it from the business case perspective. The second area, which I would say is kind of again using the term low hanging fruit and something that might be of interest for the regulators. We found out that some of the regulators, part of the challenge is just having the gender focus, maybe it's written on paper but in reality, actually they're not really paying a lot of attention. So, I would challenge the regulators to walk the talk. So, if you are interested in women inclusion, maybe even as a regulator, look at your own self and look at what you are doing for women inclusion, which includes the possibility that women are managers at the bank itself and at the regulator.

So if you are a regulator for bankers and you are central bank of Kenya for example, how many women are in the leadership position of the bank itself and what is the impact it's making? So, we found examples for example like Zambia. They had actually taken that as a serious issue. They had put it in their strategy, they wanted to monitor how many women are in leadership positions at the bank, at the central bank itself. And in Colombia they were also tracking how many of the women, both Zambia and Colombia, they were tracking how many female females are in boards of financial institutions. So, if it's an insurance, if it's a bank, how many women are in leadership positions and in their boards as a way of let's walk the talk. If we're expecting FSPs to do something for women, let's also see what we can do as the regulator to show that we are promoting the issue of financial inclusion.



The third aspect, and that will be my last one, which we saw as a real challenge, is that regulators are trying to have a balance. Babak referred to this in the opening remarks; how do you balance financial inclusion and maybe areas of innovation around that versus just market stability issues. So I think that's a tough balance to maintain, and I would go back to the issue of the business case; if the regulator can find how paying attention to SDD-sex-disaggregated data, how does that help me to be able to keep this balance if it, it'll actually be one of the steps towards maintaining the balance. If you can see how the collection analysis and use of SDD is helping you in market stability and is helping you in other regulatory issues, maybe from a risk-based perspective, you're going to focus a lot more on institutions that don't have many women on their boards as your starting point for risk-based supervision. Maybe it's actually helping you in your supervisory work. And so if that happens, you are seeing the win-win in doing, collecting, and analyzing sex-disaggregated data. I think I've said a lot to challenge the financial regulators, I think they're going to hammer me over my presence. Over to you, Lindsay!

Lindsay Wallace:

No, I don't think they will cause I think that you've made some excellent points and, certainly looking at the toolkits and the reports associated with it, it does come up very strongly that it is also a risk mitigation factor. And I'm going to add to what you said, and just say I'd like to see a lot more female central bankers. We only have a handful; obviously the US being a very important player, so it's a delight to see that but there's few and far between and so when we do have women at that leadership role, we do naturally see a greater focus on this. It's not something strange or new, it's just I think women just tend to think about these things just because it's very, very much natural. And that's also building on what Verónica said in the financial services providers, when they have more women leaders or more women credit officers, they get more women's clients, so it is very much a win-win and lots of positive feedback.

So, very excited to say we've got a number of questions in the Q&A and I'm just going to start asking those out and we will take it from there. But also, I encourage everyone that's listening, if you have any other questions or anything that's come up, please go ahead and put them in the Q&A box. So, the first is from Jose: "Can you comment on what countries are the benchmark for sex-disaggregated data? My understanding is that only Chile has been collecting this sort of data for the past 12 years." So, Petronella, I think I'm going to pitch that one to you because you've been in the weeds of thinking this through from a global perspective.

Petronella Chigara Dhitima:

Thank you for that one Lindsay. And yes, Chile is one of those countries and we are looking at developing countries. So, if you look at the countries that were trying to do something in terms of collection, I would say Zambia goes in there as well. Colombia goes in there; they were collecting a lot of sex-disaggregated data for credit; who is accessing credit and who is not? I mean, is it women, is it men? So those were doing it, but in terms of benchmarks, I wouldn't say we found/we came across a benchmark. I think people are at different stages; the regulators are at different stages of maturity. We do talk in the publication, we do talk about a continuum; you can look at regulators, I think the end goal is to get them as champions of financial inclusion. Are they there yet? Maybe not. Champions of financial inclusion for women, let me add that. So, are they there yet? Maybe not. But you see that they are on different stages of the continuum.



So that's what we found, that many of the countries are at different stages. So, they are on the road but they're not yet there. So, I wouldn't talk of benchmarks as of now, but those two countries that I gave had very good examples of sex-disaggregated data and different authorities were doing different things. I'll give one example of Zambia: there were two different authorities, financial services regulating authorities, that were doing collecting data for different things, and I'll talk more about that later; I saw a question that is specifically about that. Over to you Lindsay.

Lindsay Wallace:

Yeah, thank you so much, and this gets me to the next question from Carol: "Have we seen any evidence of how supervisors have changed policy as a result of analyzing sex-disaggregated data from FSPs?" I'm going to turn that one back to you, Petronella, but I'd also love Verónica to comment a little bit because the second part of the question is really about if there's any consultation with FSPs as part of that process. And it'd be interesting to hear any reflections she has, as an FSP, on engagement with the regulator and where the regulator and supervisor in Nicaragua or Costa Rica or the other countries in which MiCrédito works, whether there's any reflections on their engagement. So, we'll do Petronella first and then to Verónica.

Petronella Chigara Dhitima:

Thank you. So, I'll go back to the Zambia example: there were two authorities in Zambia. I'll talk about one of the authorities that was collecting data from the FSPs and the policy change that they made based on that data that they were collecting. They made a policy change which said when institutions are applying for licensing, they wanted to see how many women are in positions of leadership, either in senior management or at board level. So, they made that change, they actually put it in the application form as a policy change to the application form. I think when we ask them the question about what you would do about the ones that are already licensed, if they are not maybe adhering to the policy, I think they're still in discussions in terms of maybe giving them time to work towards what they were saying is the end goal.

So, it wasn't yet a rule to say if you don't have this, we will delicense you. But I think it was a very good example of a step that has been taken to ensure that they're actually using the data and making policy changes and explaining to the people that when you're actually applying for a license, we would like to see the positions of authority that are held by women in that particular institution. Columbia was collecting data on credit, and they wanted to see. So, they had issues around products and services, so if an FSP is coming and they're looking at introducing a product and they're saying this product is for women, for example, they would look at that data and the result they got from the data to influence the parameters that they would use to give no objection to products and services that would then be launched for women. So those were the two examples that we found, maybe there are a lot more in the report but those are the two that come to mind right away. Over to you Lindsay,

Lindsay Wallace:

Thank you so much, that's really, really helpful. And just before I jump to Verónica to talk about from the FSP perspective, Jose has just noted as well that Chile produces data on credit by type, savings, and even interest rates. It is monthly data. So, I think one of the fantastic things about the Toronto Centre is it's very much a platform for peer-to-peer learning. So thank you very much Jose, and I know others will look to the example of Chile. Verónica, any reflections on how you engage with the regulator on sex-disaggregated data? Have they made any requirement from you on this or just your reflections?

**Verónica Herrera:**

Thank you, Lindsay. Well, in the case of Nicaragua, it is really the law. The law is not allowed to use that kind of data we create inside of each organization. For example, in Nicaragua there is just one organization with this kind of service 100%. The rest is a mix between current service and the database service because the law doesn't allow us to take this as a product or to design this as a product. So, we design from the disaggregated database, but inside of our organization, we then have to complete the rest of the process because the law has this limitation. In the case of Costa Rica, it's a little bit different because Costa Rica has more financial inclusion, in general has more open law. But this is still a small group in microfinance, and the banks? 100% of the banks are using it. But in microfinance for poor people, it's a very limited group of the organization. Disaggregated data, including MiCrédito, is a piece of the group of the product that we have, which we can use, but it's because the law doesn't allow it.

Lindsay Wallace:

Thank you. So, I think each country is still, as Petronella said on their journey, and hopefully we'll be able to, again, through sharing of experience and best practice, help to shift some of these challenges. While I have you here Verónica, a couple questions came up about internet connectivity and some of the challenges of digital financial services. You mentioned that internet reliability is an issue. Is access to a mobile device an issue, as well, for some of your clients in the countries in which you work work? And is access to a branch network important as well? Are you able to go mostly digital with some kind of cash in cash out mechanism, or is the branch and your loan officers doing outreach still critical to your model?

Verónica Herrera:

Well, example, the population of Nicaragua is 6.7 million; the number of mobile phones in Nicaragua is 7 million. So, more mobile phones than population. But the thing is that most of the mobile phones are used just for calls; "Hello, how are you?" and that's it. There are few, the young people are using Instagram, Facebook and those media, social media are being used. But poor people, because of their education, because they don't know social media very well, they don't use that. But at MiCrédito, we create training for our clients through the internet. For example, the final education, we send a small video through WhatsApp and all the clients receive it from WhatsApp. That is one way to improve the capacity to learn: it's easy, it's free, it's cheaper sometimes. So, we create that kind of SINPE, some mechanism because of the limitation of the country. We have cell phones, we have internet, but it's not as good as in Nicaragua. In the case of Costa Rica, it's more improved. We made a service, for example, the client can pay their own amount, monthly, through the cell phone. We call it SINPE, and they send, in seconds, their own payment from the field or any place in Costa Rica. So those are the differences between Costa Rica and Nicaragua that we have been working on.

Lindsay Wallace:

Thank you so much. Just jumping back to Yasmin's question, and picking up on something you said earlier, Petronella, just on the issue related to customer complaints. Just related to that, what is the role of the regulator to encourage customer feedback and are regulators doing anything to let customers know that their voices will be heard particularly for women customers?



Petronella Chigara Dhitima:

So, before I answer that question, I just want to clarify something: so sex-disaggregated data is being collected widely. Actually, there are lots of countries, even Peru, it was another country of study Bangladesh, they're collecting the data. Our challenge was looking at it from the regulatory perspective. Are they collecting it just to push the financial inclusion agenda, or they're actually collecting it as part of their work to inform supervision, to inform regulations and that connection? I wanted to just clarify that point, that a lot of the institutions were doing that. Now back to your question Lindsay, the question about customer complaints? So, we found that in some jurisdictions the regulator plays a role in collecting complaints and they actually make it public so the public can actually complain. They have lines available, toll-free lines and this was something that was happening. They were actually collecting complaints from the customers.

I'll give an example of what Rwanda was doing during COVID-19, and this was not a country of study, I'm just giving an example from my own experience. What they did was they put champions into the villages and these champions were actually young people who are working as champions and they're talking about financial literacy. And as part of that, they were also including "Well, if you have gone to a financial service provider and you're not happy, here are the numbers to complain." They would give the information as to how do you even get in touch with the supervisor. In another example, I can't remember whether it was Zambia, they were on TV publicizing, some were even taking advantage of the global money week to publicize. I know, for example, in Zimbabwe they used the global money week to publicize how you can complain.

So, two areas of deficit: one is, not necessarily does the media encourage women to complain. So I'll give an example of a woman, who's a rural woman who's illiterate. So, if you come up on TV and you flash the numbers and say "You can call us on these numbers", maybe the women don't know about it because they don't watch tv. As Verónica said, they have lots of things that they're looking at, they're handling responsibilities; they may not go on tv, they may not go on Facebook. So, something that would need to be done is to really make sure that the authorities are looking at gender-friendly methods, women-friendly methods of data collection, women-friendly methods that will enable the women to complain. Women might want to just speak to a physical person, how does the regulator ensure that that can happen? I think the second part of the question was to do with is there any way of feedbacking? I think we found an example of one of the jurisdictions where they were ensuring that there is feedback to the clients and they also explained to us that even for the FSPs, they require the financial service providers to actually show that they gave feedback, they provided feedback to the client and that's something that they emphasized. So, there was a way of making sure that there's feedback to the customers. Those are the examples I can give, over to you Lindsay.

Lindsay Wallace:

No, I think those are great, and I'm just going to circle back with one other question though for you Petronella that came up and it might be controversial given the crowd, but it's that financial regulators and supervisors are inherently risk averse. Is there a presumption that financial inclusion is risky in nature and therefore should we be having our financial inclusion programs being led or hosted by within regulatory institutions?

**Petronella Chigara Dhitima:**

Very interesting one, and I think a few would be like "No, they have to do it!" and a lot of the regulators I am familiar with, even the ones we spoke to, they were all driving the financial inclusion agenda. So I think that question of them driving the financial inclusion agenda, I think by and large, is sort of resolved. They fully understand the impact of financial inclusion because they're the ones who are regulating the financial sector. If they're out of it and they're not really driving it, they'll probably undermine it. So, I think they, they'll undermine it unknowingly, if I may use that word, because they can come up with policies which will hinder financial inclusion. So, I'm happy that we have pushed them back to where it belongs. They will struggle with it because it's actually creating this controversy, and I think I like it. In some countries, when this started, and I'll speak for Zimbabwe, when the issue of financial inclusion being driven by Central Bank started, the Central Bank was seeing it as a peripheral issue, and it has nothing to do with the main core mandate of the regulator.

But over time they've actually come to realize that is the front and center because if half of the population, 70% of the population is excluded, you may even fail to have institutions to regulate because they won't be there. Cause you don't have the population; they don't have the customers. So, I would say it is an interesting dichotomy. It's an interesting controversy and let it stay there and let them push it in the countries we spoke to, they are now I think, okay with that being part of their mandate. In fact, we did a mapping, and it's in the report and that metric that we're mapping, where we were showing the financial inclusion focus, the gender focus, and where we're mapping them, the maturity of the sector, and a lot of them scored high on the financial inclusion agenda. I think we are now pushing the frontier to say it's not just financial inclusion, it's financial inclusion for women. So we keep pushing the frontier and that's what financial inclusion is about. We keep pushing the frontier; after the women we'll bring another thing and we keep pushing the frontier. Thank you. Lindsay, over to you.

Lindsay Wallace:

Thank you so much Petronella. I think that's really helpful. We're getting near the end. Just one quick question for Veronica. Maybe just briefly, there was another question about the application process, but just maybe a couple of words on privacy and when we are talking about collecting data, are there any privacy concerns? You mentioned that you followed your clients on Facebook. So just maybe just a quick word on privacy and then I'll sum things up.

Verónica Herrera:

Thank you. Well, it's not to follow their private life, it's just their preference. When we review their Facebook, we want to understand their culture, their preference, because we want to design the product from their point of view. At MiCrédito, we normally try to listen to the client in different ways; surveys, interviews, phone calls, and Facebook to understand. Why? Because most of them, they are shy, they don't want to share, they think they don't have an opportunity to grow. That's, in a sense, what we have been doing. Also, we recognize their children; we say, oh they need education, they need housing improvements, and they need electricity. That's the way, it's not to snoop on their private life. Thank you for the question to clarify.



Lindsay Wallace:

Thank you so much Veronica. That's very helpful. Well first of all, huge thank you to Verónica, Petronella, and the Toronto Centre for this opportunity to discuss this really important issue. I think we've learned a lot about the importance of sex-disaggregated data, we've learned a lot about the importance of collecting it to help design products. Similarly, the increased ease and use of that data is much more likely when women are in the driver's seat, and also women are playing important leadership roles in financial services providers, but also in the supervisory space. I think one of the things that really resonated with me as well was the issue of win-win; we maybe don't need to think of financial inclusion being contrary to risk-based supervision, it's an important element of it, and if we do look at the entire clientele for access to finance or in the financial sector, if we're not including women, then we're missing out and not going to do as good a job, I think, as financial service providers, but also supervisors and regulators. And so with that, I just want to say a big thank you to our panelists and yeah, I hope everybody has a fantastic rest of their International Women's Day and it's been an honor to speak with you all today. Thank you so much.