International Development Week Virtual Panel Session – Women's Financial Inclusion: A Catalyst for Sustainable Development

Panelists:

May Abulnaga
First Sub-Governor, Central Bank of Egypt; New Chair, Gender Inclusive Finance Committee, Alliance for Financial Inclusion (AFI)

Sophie Sirtaine
CEO, Consultative Group to Assist the Poor (CGAP)

Claudine Mensah Awute
Vice President, International Programs and Operations, CARE

Moderator:

Babak Abbaszadeh
President and CEO, Toronto Centre

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Transcript:

Babak Abbaszadeh:

Hello and welcome everyone. I am Babak Abbaszadeh, CEO of Toronto Centre, coming to you from a pretty cold minus-five degrees Toronto, which I'm sure is probably colder than where many of you are. We are delighted to co-organize this event with a global organization called CARE, on "Women's Financial Inclusion: A Catalyst for Sustainable Development", as part of the International Development Week. I don't think we could have imagined, when we were organizing this session, where we would end up today in the world. We're talking about a topic, that perhaps is in retreat, a topic that may not be so de jure today, but it's really important to the work of Toronto Centre and the partners you see at this webinar because the work has not been done. Why? Because despite the advancements of the past two decades, still more than a billion women do not have access to financial services.

Closing the gender gap in financial access is not just a matter of fairness in the value system, it is actually a critical driver of sustainable development, economic growth, and financial stability. This event reflects the shared commitment of Toronto Centre and CARE, and their partners represented here, in promoting inclusive and resilient financial systems that empower women worldwide. CARE is an 80-year-old organization, a global confederation, working to save lives, fight poverty, and achieve social justice in the world by investing in women and girls and advancing their leadership. Toronto Centre is only 26 years old, but we've been on the scene training over 28,000 financial supervisors from 109 countries since inception to build more stable and inclusive financial systems. Our mission is generously supported by Global Affairs Canada, the Swedish Sida, the IMF, and other valued international partners. Some of them don't exist today, like USAID. Today, we're honored to have three distinguished panelists who bring diverse expertise and perspective to this important conversation.

Our good friend, very good friend, Sophie Sirtaine is the CEO of the Consultative Group to Assist the Poor, CGAP, a global partnership advancing financial inclusion for the world's underserved populations. Our new friend, May Abulnaga, First Sub-governor of the Central Bank of Egypt, a very important systemic country, and the new Chair for the Alliance for Financial Inclusion's Gender Inclusive Finance Committee, and our partner, Claudine Mensah Awute, Vice President of International Programs and Operations at CARE. You have seen their bios. I'd also like to remind everyone that while this session will be conducted in English, simultaneous translation is available in French and Spanish for your convenience, so look for those buttons. We also want to make this a very interactive session. Don't be shy, ask your questions, and if you don't ask questions, I'll have to keep going on and on and you have to hear my voice. So, please help me make this more interesting.

Sophie let's give the very first question to you, but before I ask, I want to underscore that under your leadership, CGAP has driven evidence-based innovations in digital financial services, empowering women and marginalized groups globally. CGAP is a very efficient organization and worth every dollar of aid that they get from anyone. Sophie, as technology-driven financial services evolve, how can regulators ensure that innovations such as open finance, digital payments, and alternative credit scoring do not inadvertently reinforce existing financial exclusion, particularly for women? So, I said, it's basically systemic barriers. What policies or regulatory approaches can help maximize the benefits of financial innovation while addressing potential risks related to access, affordability, and fairness? Thank you.

Sophie Sirtaine:

Thank you, Babak. And first, thank you for your very nice words on CGAP and for having me. I'll start first, not by responding to your question, but reinforcing something you started with, which is that yesterday, in fact, we just launched the Impact Pathfinder, which is a source of curated evidence on the impact of financial inclusion. And you are absolutely right when you started this conversation by saying financial inclusion in general, but of women in particular, directly contributes to economic empowerment, jobs and entrepreneurship, resilience, and so ultimately, to economic growth and stability. So, it's a very important topic indeed. Now to your question, you are absolutely right that there are fundamental disruptions, technological, and data-driven advances in the world that are completely, in my opinion, changing the prospects for financial inclusion and economic empowerment of women. But they also come with risks, as you said, and regulators have a very important role to play in basically maximizing the opportunities while controlling the risk.

The opportunities really come from the fact that traditional obstacles to women's financial inclusion can be circumvented by data and technological advances. These obstacles relate fundamentally to the inability from financial sector providers to see the business case for women; small transactions, no data, the need to tailor products to their needs being perceived as complicated, and the costs of including them with a smaller transaction due to the smaller economic participation, in general, in many countries. All of this has typically led gender-neutral strategies to be implemented, but not targeting, really, the needs of women. That has also typically been reinforced by gender norms that have made the interactions between women in the financial sector much more difficult in many countries due to their inability to travel, their inability to own assets that are used for KYC documentation or assets that are used for collateral, etc.

And so, what the advances in technologies are doing in a way is changing completely these obstacles by decreasing fundamentally the cost of serving women and of providing small value services because you basically can automatize and use artificial intelligence and machine learning (AI and ML) to do a lot of that work, transforming completely the types of documentation and collateral that is needed because you can really use data. And when I say data, I don't mean credit histories, I mean new payment data - data trails, for instance, to do a lot of these services that in the past you relied on more formal documentation for, and you can also serve women much better where they are through digital delivery mechanisms, alternative financial services providers, etc. So, the economics of serving women has changed while at the same time data allows you to really understand their needs much better and tailor products and their terms and conditions much better to their needs and to their cash flow abilities.

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> CGAP

Now all of this comes with risk. You are absolutely right, and I think the risks are many faults. The main one for me is exclusions. I think you mentioned it in your question because all of this relies on, basically, connectivity and data, if women are not able to access connectivity including cell phones, and if there is no gender disaggregated data that enables to identify women and their needs specifically, then you're going to reinforce exclusion instead of leveraging these advancements to provide them with more financial services and more access. So, that's the main risk: digital public infrastructure and making it inclusive, and data governance and making it inclusive, are essential, and these are where authorities have a key role to play. But beyond that, you also have other types of risks that are growing rapidly around basically cybersecurity, data thefts and misuse, frauds, scams, etc.

We know that first-time users, it's especially women that would enter the financial sector through these advances, are more likely to suffer from these problems and they care, they really care.

Women care about their identity, their protection, and so consumer protection, reinforcing consumer protection, investing in digital and financial literacy is also extremely important and where authorities have a key role to play.

Maybe the last thing I'll say is, of course, creating the ecosystem, the financial ecosystem that can serve women well. So, you need not just the DPI, the digital public infrastructure, but you need to enable financial actors that serve women to operate alongside more traditional actors, mobile money operators, for instance, or agents that accompany formal financial institutions to serve women where they are enabling FinTechs, which are those who are going to use those data, those alternative data to provide alternative services. All of these new actors are very important to serve women. And so, looking at regulations and looking at whether regulation itself enables this inclusive ecosystem is also very important. I'll stop there. There's so much more we could say.

Babak Abbaszadeh:

That's great. No, Sophie, as you were speaking, I was just reminded why do we keep inviting you back because you packed so much information in a tight timeframe. We've given our speakers no more than five minutes to respond to these really complex questions. You covered very well, but a couple of things I want to pick up from you just to be able to advance. One is, I mean, I'm getting a sense that gender equality is also a human right, so that needs to carry on. The other thing is that the promise of technology is really helping right now when in fact technology is such a double-edged sword. We're dealing with it in so many different aspects. You talked about disaggregated data, and we had done some work with USAID on sex disaggregated data. That work is still available even though the organization doesn't exist. I recommend people to come and take a look at it on our website because it dovetails very well with what you were saying.

My next question, second question in this round is going to go to, May, the sub-governor, and you have been a driving force behind Egypt's policy innovation to expand financial inclusion, focusing on women and underserved communities. You've also been an expert and a champion on women entrepreneurs to advance inclusive economic growth. So, May, my question to you is how can regulators serve as catalysts in advancing gender inclusive findings? Now, maybe a bit of an oxymoron. Regulators are supposed to stop innovation in some ways, but they're now a partner in this very important point. How would you approach that? Thank you.

May Abulnaga:

Thank you, Babak for the introduction, and I'm really honored to be here today to discuss this very important topic among such distinguished panelists and wonderful audience. So, I agree with you: sometimes regulators do, a bit, hinder the advancement of the regulators, but not in our case. But let me first start by emphasizing that central banks do have an integral role to play in advancing women's financial inclusion. Over the past years, we have seen that many central banks and regulators across the AFI network have realized the importance of gender inclusive finance. Since the adoption of the Denarau Action Plan in Fiji in 2016, and I was very honored and lucky to take part in its drafting and to date, and with the support of the AFI network, regulators and policymakers have created enabling environments for financial inclusion of women resulting in the reduction of gender gaps in developing countries from 9% to 6% in 2021.

That's a lot, because gender gaps are very tricky, and women's financial inclusion runs faster. So, really that was an achievement. It's also worth mentioning that 78% of the AFI members identified gender inclusive finance as a high priority for the countries in the last two years and in the coming two years. This reflects an affirmation then addressing gender gaps and financial services is a shared and a growing priority. And here, actually, I would like to take this opportunity to applaud and give credit to my dear friend and sister, Ms. Elsie Addo, Deputy Governor of the Central Bank of Ghana, who was my predecessor and the chair of the Gender Inclusive Finance Committee. Elsie has done a great job along with her committee members in launching the Gender Inclusive Finance (GIF) policy model, which serves as a very valuable point of reference for regulators and policymakers. And I think that moving forward, the committee will work on implementation, just on implementation, and to consolidate the effort and to group people where they are and to really try to spread out how this can be implemented well.

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> Central Bank of Egypt, Alliance for Financial Inclusion

Now, moving from the global landscape and onto the level of the Central Bank of Egypt, we have really put women's financial inclusion at the heart of our agenda. We have addressed women's financial inclusion through a multi-layered approach, while at the same time, leading the coordination and alignment and effort on the national level, which at some point in time may become tricky. So, first, we started by mandating the collection and the reporting of sex-disaggregated data from financial institutions. This helps lay the foundations for evidence-based policymaking. We've established a financial inclusion data hub in 2018 where we collected sex-disaggregated data on the supply side using a unique identifier, the national ID. On the demand side, we've conducted a demand side survey to understand the barriers of financial inclusion and be able to build our policy interventions accordingly. We're currently working on updating the demand side survey to understand where we were and we're heading. The outcome of those was a comprehensive data set from the supply side and demand side that enabled us to launch an evidence-based gender sensitive financial inclusion strategy that prioritized women financial inclusion among the most important target groups. So, on the level of the regulatory environment, and that's the most important part that any regulator can do, we have issued a simplified KYC where women may open a personal bank account only with the national ID. We've also noted that women that work from homes face problems in opening bank accounts

and KYC issues and compliance issues when they receive the money. So, we have created an economic activity account whereby women can open a commercial, a bank account that is for commercial purposes using the national ID. We've issued a unified definition, so women-owned/led business and we've also enabled mothers to open bank account for minors independently from the legal guardian, and this in our part of the world, is something. On the parallel, financial literacy came hand in hand with all our efforts where literacy activities came in three dimensions.

So, the last public financial sector employees who are actually public facing but also are not public facing because compliance offices sometimes during their reform tracks as well as policy makers. So, for example, we would not want the tax authority to put financial inclusion as part of their tax collection efforts. This, of course, comes hand in hand with achievements done on promoting digital financial services on the FinTech industry. So, the implementation of our national financial inclusion strategy came through a number of strategic projects, among which is our digital village saving and lending associations, which is called the Tahweesha, slang for savings in Arabic, and which was we've done with our strategic partner, the National Council for Women.

> Our effort has led to a surge in the numbers of financially included women to reach 20.8 million women out of a total of 32 million… reflecting a growth of 252% compared to 2016 and reflecting 63.4% financially included women.
>
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> Central Bank of Egypt, Alliance for Financial Inclusion

And finally, so that I don't take long, too long, I just would like to highlight the impact of the work that was done. So, our effort has led to a surge in the numbers of financially included women to reach 20.8 million women out of a total of 32 million, and those are the figures for June '24, reflecting a growth of 252% compared to 2016 and reflecting 63.4% financially included women. I will stop at this and pass it back to you, Babak.

Babak Abbaszadeh:

That's amazing. The progress you made has been really impressive and one word, if I can summarize, all of it is comprehensive. I mean it sounds like you have done everything, financial inclusion, accounts for mothers, and your metrics speak for it. You gave a shout-out to Elsie, I also want to give a shout-out to her. Hopefully, she's watching and blushing, but she's a member of Toronto Centre's board of directors and also our banking advisory board, a fantastic professional, can't say enough about her. Also, we're getting an embarrassment of riches here; I'm getting hellos from Benin, from different countries in the world: Tunisia, Brazil, and even Montreal. And so, there's a lot of interest, and I want to save time for them to be able to ask some questions and 408 participants, all the way from all letters of the alphabet: Algeria to Zimbabwe.

Okay, let's go to Claudine. I think let me ask you to sort of anchor this round and be the final participant of this round. Claudine, you have extensive experience in implementing and scaling savings and loans groups. Something I would like to hear about and have witnessed firsthand how these initiatives drive financial inclusion and economic participation for women. So, my question to you is how have savings groups advanced women's financial inclusion and how can digital innovation further formalize and scale their impact? Thank you.

Claudine Mensah Awute:

Thank you very much, Babak, for your question. And first, I would like to thank the Toronto Centre for this partnership with CARE. We are so proud to work with you, and we are thrilled at the prospect of the impact we can have on women's financial inclusion. To your question, first, I want to say that women's financial inclusion is not just about banking, it's about agency, capacity, opportunity, economic resilience, and inclusion, as we heard from Sophie and May. At the same time, we see that women remain disproportionately excluded from financial systems, with 9% of women in developing countries lacking access to a bank account.

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> CARE

At the same time, we see that digital barriers further deepen this gap for women. We have more than 780 million women who still do not use mobile internet, and among them, 60% live in South Asia and Sub-Saharan Africa. While at the same time, we see that the smartphone gap has narrowed slightly over the years, women are still less likely than men to own a smartphone, 13% less than men. It means, in terms of data, that about 200 million fewer women have access to a smartphone.

But what we see is that when women manage to overcome these challenges, they still face other challenges such as affordability, in terms of costs, et cetera, poor connection, access, and also social barriers that Sophie and May mentioned earlier, and all that limits their ability to use it to save, invest, and grow their income. CARE has initiated a community-led solution that we call "savings groups" and we piloted it 30 years ago. It started in West Africa. Today, we are proud to say that worldwide, by all other organizations that are implementing it, we have more than 70 million people, mostly women, that participate in savings groups, and this includes 21 million people that CARE directly supports and this 21 million mobilize, on an annual basis, US$1 billion.

Sophie said that actors in the sector do not really see business cases that women represent, but 1 billion in savings annually is big. These savings groups create a pathway for financial inclusion, particularly for women who as we know are often excluded from formal banking. I want to highlight here, very briefly, the impact of savings groups on women's financial inclusion.

As we know, for most women who are part of it, savings groups are their first access to financial services, whereas by saving small amounts and borrowing on flexible terms, they can invest in education, healthcare, and business groups. We also see that being a member of savings groups, it's boosts women's income very significantly, and we see a 153% increase in income in the first year for women, and it can grow up to 275% over five years. We also have noticed through not only observation but also studies that we did that savings groups create financial resilience for families, and members of families that are part of savings groups are 85% more likely than non-members to save for emergencies.

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> CARE

We see that for every US$250 invested in setting up savings groups, three children go back to school. I can go on and on and give all these examples, talking, for example, about crisis settings in Yemen and Syria where CARE adopted savings groups to support recovery and while we saw that it helped increase the food security from 30 to 96% of households who participated into it, what we see is that beyond the financial services, savings groups contribute to build on trust and social capital, and then they contribute to build women's self-reliance and also decision power is increased for them, both in their households and in their communities. Savings group serve as platform for broader development outcomes, as I said earlier in education, in nutrition, and in health.

What we've seen is that digital integration has offered a game-changing opportunity to bridge the gap for savings groups members from informal to formal finance. By leveraging this mobile technology, we can expand financial access, enhance group efficiency, and also build financial identities for millions of women. We are so thrilled to see how different stakeholders and partners have been supporting the work we do. I want here to highlight the importance of public-private partnership, that is critical, as well as the role that central banks play. We heard May talk about it. We have the experience in Egypt. We also have the experience in Bangladesh where cases led to the central bank issuing a formal directive to commercial banks. And in less than a year, by asking them to offer low interest loans, they have been able to open more than 3,000 bank accounts in less than a year for savings groups. We can see that this partnership also pays a lot, and it paves the way. I want to end by saying that digital solutions as we see them, they unlock unprecedented opportunities, but at the same time, we still have structural barriers that need to be addressed, especially when it comes to access to mobile devices and digital literacy.

While women in low- and middle-income countries, as we said are less likely than men to use mobile internet, we need to ensure that not only do they have access to it, but they have the confidence in using the digital tools. As we look ahead, we want to highlight here, and this will be my message here, that the key to formalizing and scaling the impact of savings groups lies in continued investment in digital solutions and also in stronger partnerships with financial institutions, with government and the commitment to advancing women's and girls' financial access. Thank you.

> Financial sector authorities have a leadership role to play. Developing a national financial inclusion strategy that puts women and their financial inclusion at the center, using sex-disaggregated data to define targets, is one of the key things they can do.
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> **Sophie Sirtaine**
> CGAP

Babak Abbaszadeh:

Oh, thank you so much, Claudine. I think what I'm hearing from you all along, everything that you're talking about is empowerment, right? So, you're talking about grassroots mobilization and how the virtue of your work is not just access to financial services but also the know-how and the ripple effect it has on other aspects of the SDGs like nutrition, health, and education. It's quite an interesting story and dovetails very well with the other speakers.

Okay, for the second round, we're going to talk about empowering women entrepreneurs and scaling savings and loan groups. Think of this as your practice run for CNN. There, they give you 30 seconds. I'm only really going to give you four minutes, and I'm going to watch the time because you can go on for a long time and we will all be captivated by you. But we want to give some time to the speakers. Sophie let's come back to you. You talked about disaggregated data. So what role does gender disaggregated data implicit biases in regulation and women's leadership in financial sector play in fostering during inclusive financial systems? How can regulatory frameworks help in this area? Thank you.

Sophie Sirtaine:

Thank you, Babak. I think we've heard a lot but very quickly, I think, first, as May really exemplified, financial sector authorities have a leadership role to play. So, developing a national financial inclusion strategy that puts women and their financial inclusion at the center, using sex-disaggregated data to define targets, I think, is one of the key things they can do. Secondly, we talked a lot about regulation in this discussion. I think regulation is essential. It can both maximize impact and minimize risk, and their authorities have a very important role to play. It starts with KYC. I think May explained it very well: using proportionality, simplifying approaches and documentation requirements for women is one way regulators can help. It continues with credit. Credit regulation is directly related with questions around who are the signing authorities, what are the documentation that are required, how are credit worthiness assessments conducted? What kind of security and data is needed?

But even questions around debt collection enforcement really matter to women, and there's a lot of horror stories on that front. So, credit regulation really matters. Even licensing, the types of provider diversity that is needed to serve women, allowing digital business models, allowing innovation, fostering innovation for true sandboxes. So, licensing regulation really matters. Of course, consumer protection regulation, truly, truly, truly matters. I think we heard it from everyone, promoting financial literacy and disclosure requirements, simplifying the transparency of what is explained, but also, everything that's related to determining suitability of products really matters. We want to serve women with products that are commensurate to their cash flow abilities for instance, everything that's related to abusive provider practices, customer redress, data protection, data privacy, all of this truly matters to protect women. Agent network regulations are fundamental because you want diversity of agents, but you also want agent onboarding regulations to really equip them with the right ability to serve and protect women and maybe teach women, provide this on-the-spot digital and financial education that is needed.

And then finally, governance regulations also really matter because as you said, we need to have women in leadership roles, we need to have women agents, we need to have women in credit decision roles basically throughout financial institutions because that's going to help us go around those biases and those gender-neutral vision that have not been neutral in reality so far. And maybe last but not least, we're asking about data. I think data governance is fundamental. So, regulations around data sharing and interoperability frameworks to democratize access to data, such as through payment reforms that generate more small transaction data, but also open finance that enables those small transaction data to then be shared and used by financial providers is essential. And, of course, data availability. So, bridging digital divides into data availability through SDD and demand surveys as May was also explaining is also where, I think, regulators have a key role to play. I think I've used two minutes. I'll stop here.

Babak Abbaszadeh:

Actually, that was quite impressive. Thank you. And Sophie, when I'm listening to you, I get so optimistic because we can get so down on technology and seeing how we and our kids get hooked on Instagram and whatever it is, but there's so much more important things that can be done by technology and you really rhymed them off very, very well. So, Claudine, sorry to put you on the spot, but let's move over to you. Savings groups have been widely adopted by various actors, including governments. How are governments scaling these initiatives and what opportunities, challenges, and impacts have emerged in this process? Thank you.

Claudine Mensah Awute:

No, thank you, Babak. I'll say that I wish I could hear from May before responding to this, because the role of government, of central banks has been very critical and fundamental in financial inclusion for women and also in scaling up savings groups. Governments across Sub-Saharan Africa are increasingly adopting savings groups to advance financial inclusion, social protections, and women empowerment because, as we said, it's not only about banking, it's

really the empowerment of women in general. The 2018 report of the SEEP, Small Enterprise Evaluation Project, identified that 74 government interventions were developed and implemented across 20 countries, highlighting the role they play in financial strategies. I want to highlight here a few examples of how governments are scaling savings groups. They are doing it through a few approaches. One being policy integration. We have the examples of Rwanda, Côte d'Ivoire, and Uganda, where they have embedded savings groups, international financial inclusion strategies, legitimizing a broader engagement from the sector with savings groups.

The 2018 report of the SEEP, Small Enterprise Evaluation Project, identified that 74 government interventions were developed and implemented across 20 countries, highlighting the role they play in financial strategies.

Claudine Mensah Awute

CARE

We also have the examples of programs that are funded by government or jointly funded and implemented by them. Côte d'Ivoire, for example, is aiming at funding the establishment of 25,000 savings groups by 2026. We see that Rwanda is already implementing an initiative that has reached 700,000 members. Beyond these 700,000 members, it's beneficial to more than 3 million people. In terms of government-led projects, we also have the case of Uganda where CARE, private sector, and the government are partnering on a project that is serving and supporting 340,000 women.

These are some examples that we can give on the role that the government plays or can play in promoting savings groups to support financial inclusion. But there are a few opportunities and challenges that I want to highlight here though. In terms of regulation, we see that while we have some policies that enable financial integration in some countries, others impose quite restrictive fees or registration hurdles, and it requires advocacy to support these frameworks, and that is what part of the role that CARE and other actors play along women's groups. We also have some challenges around coordination, where we see misalignment between national policies and local implementations that causes inefficiencies.

And at the same time, and this is where we are seeing the opportunities, we have emerging coalitions in countries like Nigeria and Madagascar that aim to streamline these efforts across the sector, both from the private sector, women's groups, savings groups, and also non-governmental organizations, local and international. The last point that I want to highlight, both as a challenge and opportunity, is on the funding side. What we have observed, and I'm sure you share that, is that dedicated funding remains a challenge across the board. Although you see in countries like Rwanda, inclusion for savings groups in the national budget, it demonstrates scalability potential. But this is an opportunity, also, to send out this message and call for more support in dedicating funding to support savings groups. While we see that more and more, as you said, an increasingly government recognized savings groups, the transformative power of savings groups, it also requires sustained collaboration, smart regulation, and investment to unlock the full potential that these savings groups can offer.

So, I want to conclude here by saying that what is important in the work that we do and the role that government institutions can play is to formalize financial access while preserving savings groups, and to avoid too heavy regulations that kill these initiatives. We also want to highlight here that regulatory climate discussion strengthens service group sustainability and financial linkages. So, it is important to have these accessible and clear regulations. And the last point I want to highlight here as the key takeaway is that strategic policies integrate savings groups into national financial systems and the issue that millions of women have access to financial services. This is an opportunity to remind us of again, of the critical role these savings groups play. All these frameworks that I briefly spoke about demonstrate the role that government can play in scaling savings groups and doing it in a responsible way while maintaining the grassroots impact. So, we look forward to continuing the collaboration with governments and institutions sharing lessons and approaches that have worked to ensure that more women have access to financial services. Thank you.

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> **Claudine Mensah Awute**
> CARE

Babak Abbaszadeh:

That was a very good way of integrating all of it. Also, just for those who might think savings groups are kind of an exotic thing to talk about, well, in Western Canada, in Europe, cooperatives and savings and loan groups in the last century or so, probably earlier than that, played a pivotal role in development. So, these are just what you're doing. You are bringing a lot more energy into this and adapting it for the specific needs, and how to marry it with domestic resource mobilization. So, it's very impressive. Deputy governor, so sorry about the last time, I apologize for interrupting you. Hopefully, we can hear the good stuff that you were saying. If you could rewind the tape and start, that would be great.

May Abulnaga:

So, I was just giving credit to CARE that they started in Egypt, the first informal savings groups. And thanks to them, I believe they were pioneers indeed. I don't know if you heard that part, but it was a great start at the time, and it showed a great potential for the savings groups yet it was also still cash-based, so it posed a lot of security challenges, and it had limited funding for project creation and hence, it had slow opportunities for economic growth for the women. So, we decided to digitize the VSLAs model, and we developed an application and that's where the name Tahweesha comes in, and we try to digitize the project. So, we made it available on smart mobile phones that were handed to facilitators and field officers that were hired by the National

Council for Women from the villages themselves, and those were really our real champions on the ground, because they played an integral role in disseminating financial literacy. The application is linked to a joint bank account for those groups through which the saving session would be opened by the facilitators and by the group leaders through the use of wearable bracelets that act contactless-ly, tap to open the session, instead of using the physical keys, and the women just loved it! They loved the bracelets!

So, they saved through the use of prepaid cards, which are scanned by the facilitator through the application itself. They are also able to take out small loans worth three times their savings value for micro-projects. So today, we have around 246,000 women onboarded, and we have about the same amount that are already financially and digitally educated and ready to be onboarded. The total deposits are about 3.2 million regardless of the exchange rate, they are in the millions, the savings and loan percentages amount to around 35% of those savings.

Technology was a game changer, especially during the COVID times where we were scared that it would not work, but it was really amazing for the extra vulnerable population who faced all the social constraints that you would see.

May AbuInaga

Central Bank of Egypt, Alliance for Financial Inclusion

So, we've created about 9,300 projects, and we are really proud to say that the impressive impact of Tahweesha has attracted more and more partners, which gave us more assurance about the sustainability of the innovative model. So, the European Union and the Kingdom of the Netherlands have contributed to the project. The government of Egypt has announced the project as a national project and contributed as well. And accordingly, the target number of our beneficiaries rose from the original funded by the central bank, 100,000, to around 2.5 million. To conclude, technology was a game changer, especially during the COVID times where we were scared that it would not work, but it was really amazing for the extra vulnerable population who faced mobility challenges and disability or the remote areas and whatever, all the social constraints that you would see. Digital financial literacy activities were essential and still are essential to ensure that target segments are capable of using the service. And, of course, I can't but mention the importance of public-private partnership to scale up the activities and maximize benefits to the public. I'll stop here. Thank you.

Babak Abbaszadeh:

That's great. And now I feel good that I interrupted you because now, we can hear it and that was great. Excellent answers, May, thank you, especially in the context of Egypt. So, there's a lot of questions actually, so let's go through as many of them as we can. Some of the questions are very long, like reading War and Peace. So, for a poor moderator, please don't do that, and I apologize if we're not going to get to it, but I'll do my best. Sophie, let me pose this to you. I don't know to what extent this does relate it to CGAP, but you bring an overall global view. An audience member asks, "In my case, we are working in a refugee’s context, most of the beneficiaries are illiterate and have no access to financial inclusion. How do you manage that, in your case?" Is that something that CGAP has worked on or has been in conversations with? Thank you.

Sophie Sirtaine:

In conflict areas, mobile money can be particularly important, but having the regulation in place ahead of time obviously makes a whole of a difference.

Sophie Sirtaine

CGAP

Yes, we've been working on refugee finance in the past and again, as well as on finance in fragile contexts in general. I think there's a lot of things to say there. First, it is incredibly important for refugees and for people living in fragile contexts to have access to finance because it's a lifeline to resilience, but it's also a lifeline to resuming economic activities. Secondly, it's very important for refugees to realize that the main issue really pertains to KYC and their ability to resume being active financially by having the right documentation and having their existing documentation accepted in their host countries. But beyond that, there are a lot of opportunities and issues to solve for in fragile contexts and for refugees. Cash transfers from governments are fundamentally important. So, payment, mobile wallet regulations, and their ability for refugees to access these services is fundamental. And of course, the cost of cross-border transfers can be very important for them because often they receive money from diaspora, from friends and family abroad. So, very important

In conflict areas, mobile money can be particularly important, but having the regulation in place ahead of time obviously makes a whole of a difference. But mobile money regulation is very important because, often, mobility is constrained if you're in the middle of a conflict. We saw that in the Sudan for instance, where people could not pay and could not travel and to buy the minimum necessities they needed, and mobile money could sometimes help them do transactions at a distance. So yes, lots of very important considerations to take into account and lots of constraints also to work around.

Babak Abbaszadeh:

No, thank you. That was great. Claudine, let's take this question to you. Are women's savings and loan groups outside of the formal financial sector? If they are, how do you minimize risks of potential bad actors? Thank you.

Claudine Mensah Awute:

Well, thanks for this question. Savings groups started as completely informal groups. And then, progressively as we worked with them, we started supporting them to have a formality that does not become an obstacle for them to advance. This is how, for example, we're working in connecting them with microfinance institutions, also working with, as I said earlier, government institutions, central banks, etc., to help propose suitable offers, services, and products to them. As we also said, groups are built on trust and solidarity. It is at community level and to minimize risk, savings groups establish very strong governance structures with clear bylaws. They elect their leaders, and they have transparency, record keeping. We audit them and we provide financial literacy to them as we progress. If you had seen service books at the beginning 30 or 35 years ago, you would see the difference that we are seeing now in terms of the capacity they have developed and how they're working.

We do it through partnership with NGOs and also by using digital record-keeping tools to ensure transparency and also orthodox management practices. So, these are some safeguarding approaches that we use to ensure that we enhance security and transparency and accountability for these groups. In general, I would say that they have a really good record of positive audits and very limited cases of fraud based on what they have put in place. I will finish by saying again, just to give you an image, savings groups started with boxes with three keys and each different member will hold one of the keys, which means accessing their resources. When it was physical one, it was very difficult and now that you have moved to financial institutions, to mobile banking, it makes it more secure. Thank you for your question.

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>
> **Claudine Mensah Awute**
> CARE

Babak Abbaszadeh:

That's very good. This question, I think I'm going to pose it to May. "The role of central banks is critical to support commercial banks in adapting and easing the requirements for loans, especially for women's access to credit. Now the question is, are there specific examples from Egypt that can be shared for inspiration?" Hey, you are like our inspiration person. Let's see if you can inspire us. Go ahead, May.

May Abulnaga:

So, it's a very good question because really, it's a struggle with banks to have them perceive, as Sophie mentioned, a case of a poor woman as profitable. This is a struggle but again, issuing a few regulations that could make it easier a bit, for them to operate before starting to get loans. So, for example, the simplified KYC, the ability to open a bank account and create credit history for a while, this all helps. But then again, you don't need to study credit as traditional. I mean,

I'm all for behavioral scoring, and we've issued a regulation to mandate behavioral scoring for our banks to allow them to really build on all sorts of behavioral activities to be able to study those. Finally, I would say education, education, education, because our banks are still in the mindset of corporate profitability. They want to see the dollars immediately, but when we educate them and when we teach them how important this is for the general public and at the end it becomes an extremely profitable case. So, this is how we're approaching it in Egypt, and it has seen a lot of successes, I would say.

Babak Abbaszadeh:

That's great. Education can be passed across everything. So, Sophie, a question I try to avoid, but I guess so many people ask it, so I really think I want to pose it to you and what would be the position of NGOs in the world after the suspension of USAID? How is that for a hot potato question? So go for it, Sophie. Bring all your media training into this answer.

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>
> **May Abulnaga**
>
> Central Bank of Egypt, Alliance for Financial Inclusion

Sophie Sirtaine:

Thank you. I think there's going to be a short and long-term answer to the question. In the short term, there's a lot of panic, and there's a lot of immediate thoughts that are tremendous. But we're going to have to adjust and we're going to have to see how other institutions can come in and support those that really play a key role in supporting immediate needs, especially on the humanitarian front. And so, I think we're going to all have to play a role in compensating and coming to the rescue to support them. In the field of women financial inclusion or financial inclusion in general, this is certainly also valid.

Babak Abbaszadeh:

Thank you. And also, it is not just a $40 billion or so that's taken off the table. We don't know how much of that will be recycled through other means, through state departments and others, is all that intellectual capital that was developed in USAID and the fostering of support that they had done. So yeah, it would be a big shoe to fill in terms of compensating.

Claudine, let me try this question on you. You feel free to pass it on, but I think it's an important question. So, savings and loans, obviously, we're talking about credit, we're talking about access to credit and all of that. There's a question here that says, "Can you share your insights and experience in the insurance sector's role in promoting women's financial inclusion? Do you ever interface with the question of insurance in your work?" Thank you.

Claudine Mensah Awute:

Okay. No, thank you very much for the question. Access to insurance is a very interesting one. And it is in general as insurance as we can say, it provides protection to groups but at the same time, it also has barriers because of norms that are there. Women do not have access to land or capital that can help them. So, the insurance needs to be tailored to them as with digital. But at the same time, the nature of savings groups itself constitutes the insurance they have through the social fund they put in place. When women save for their activities to invest in their economic activities, they also save for what they call the social funds to help them in difficult situations. So, it represents, at the same time, a form of informal social and financial insurance for members in emergencies around the world. I could see it in countries like Mali, Niger, Nigeria, Syria, etc.

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>
> **Sophie Sirtaine**
>
> CGAP

This is why CARE is supporting and promoting the use of savings groups to promote financial inclusion. It's not only for the immediate gain for women or for immediate opportunities these create, but how it reinforced them and helps them build their resilience to face crisis in countries where we work, or this is what I can say, I know that in few countries, there's partnership with insurance companies but not yet widely practiced. So, what is important is to ensure that whatever service or product is proposed to savings groups, that it is tailored to women's capacity and the ability to have access to it and use it. Thank you.

Babak Abbaszadeh:

That's great. So, there's a lot of questions still that have not been asked. I'm going to ask, put Sophie in a very tight timeframe, like literally 10, 20 seconds, is CGAP doing any work on AI? Sophie, there's a couple of questions are around that.

Sophie Sirtaine:

Yes, absolutely. I can answer the question, so AI is very important and can be transformational for financial inclusion. It can help process more value transactions. We can help with supervisors with SupTech. It then helps better tailor products and understand women's needs, etc. But from a regulatory perspective, there is the other side of the coin, which is to ensure that AI is used in a fair manner and that it actually breaks the biases of existing practices and turns them into a more inclusive system. Often people ask the question differently. They say, how can we avoid AI creating more biases? But the current system is quite biased as this conversation has shown. So, AI is also an opportunity.

I think the terms that for me would matter most to keep in mind are explainability and accountability. Regulators need to make sure that models, AI-based models that are used, are explainable. We don't want Black Boxes, and we want accountability. We want the financial service entity to be able to explain, for instance, why an outcome might look discriminatory. If they can't explain and they can't justify their need to be outcome really oriented, then they should be a pushback. So, we want fairness, we want transparency, we want equity in the outcomes that these models will lead to.

Babak Abbaszadeh:

That's great. These are excellent guiding principles and it's 10 o'clock. I think we could have gone for a couple of days, but there's no way I could have kept the speakers here for a couple of days. So, we did the best we could. The questions that are left on the table, we will use them as part of our ongoing training. This webinar will be available for Toronto Centre courses, and we'll also put it online for others to use. Thank you so much to our speakers. You spoke very well. You talked about topics that were very complex in a very difficult time today. So, thanks for your time in this context and we look forward to collaborating with you as time goes on. Take care and God bless us. Take care. Bye.